

RESTAURANTS: IMPACT OF THE PANDEMIC

SPECIAL EDITION

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INTRODUCTION

Consumer Behavior: Pandemic & Post-Pandemic was published by Richard K. Miller & Associates (RKMA) in June 2020. The impact of the pandemic for four consumer sectors is further assessed with the Pandemic Series, published by RKMA in September and October 2020. Titles are as follows:

- *Restaurants: Impact of the Pandemic*
- *Retail & E-Commerce: Impact of the Pandemic*
- *Sports: Impact of the Pandemic*
- *Travel & Tourism: Impact of the Pandemic*

COVID-19 was declared a national emergency in the United States on March 13, 2020. Where reference is made to the beginning of the pandemic in this Business Reference Ebook, this is the date of reference.

By mid-March, the CDC issued a warning against holding or attending gatherings larger than 50 people, including conferences, festivals, parades, concerts, sporting events and weddings. West Virginia reported its first COVID-19 case on March 17, marking the presence of the disease in all 50 states and the District of Columbia. And, California became the first to issue statewide Stay-at-Home Orders.

While no federal mandate has been put in place, 42 states, along with various counties and cities, the District of Columbia, the Navajo Nation, and Puerto Rico have mandated Stay-at-Home orders. The number of Americans under orders accounted for about 95% of the U.S. population, or roughly 316 million people.

Along with Stay-at-Home Orders, recommendations for wearing face masks or face coverings in public to lessen transmission of the virus were clarified by the CDC on April 3, 2020. Hygiene practices and appropriate physical distancing were also recommended.

Essential activities, such as shopping for food and basic goods, commuting to perform essential work, seeking medical attention, or participating in outdoor activities like dog-walking were generally permitted even with Stay-At-Home orders.

Orders effectively shuttered nearly all non-essential business operations, resulting in massive cuts to the workforce and sharp declines in consumer spending.

In general, essential businesses included supermarkets and grocers, big box retailers and super centers, convenience stores, restaurants for takeout and delivery only, pharmacies, hardware stores, office supply stores, and others. In some jurisdictions, liquor stores and cannabis dispensaries were considered essential.

With many bricks and mortar stores closed and people sheltering in place, online retail traffic rose dramatically.

By summer, as the number of confirmed cases began to decline, states started lifting restriction and opening in phases. With distancing rules in place and mask mandates, some jurisdictions began allowing a return to gyms and salons, dining in at restaurants, visits to movie theaters and casinos, and more.

The severity of the pandemic shifted several times, affecting different communities with each surge. During the first wave, the number of new coronavirus cases peaked on April 10, 2020, with a 7-day average of 31,709 cases. Growth rose to a second peak of 66,690 (7-day average of new cases) on July 19, 2020.

In Fall 2020, the number of new coronavirus cases in the U.S. surged once again after growth slowed in late summer. This third surge peaked at 52,156 (7-day average of new cases) on October 13, 2020. While the geography of the pandemic shifted to the Midwest and to more rural areas, cases trended upward in most states, many of which set weekly records for new cases. Local governments imposed restrictions on activities, employers extended work-at-home policies, and schools shifted to remote learning in many of the affected cities and towns. Consumer spending and the economic recovery continued to stall as a result.

PART I: ANALYSIS

FINANCIAL IMPACT

1.1 COVID-19 Impact On Restaurants

The National Restaurant Association (www.restaurant.org) estimated that the restaurant sector lost \$80 billion in sales from the start of the coronavirus pandemic through April 2020 and \$120 billion through the first three months of the pandemic. The restaurant industry as a whole is forecast to sustain \$240 billion in losses by the end of 2020.

“The restaurant industry, more than any other industry in the nation, has suffered the most significant sales and job losses since the COVID-19 outbreak began.”

National Restaurant Association, 5/8/20

According to *Nation’s Restaurant News*, an estimated 30,000 restaurants closed in March 2020; 110,000 closed in April 2020. Most of the closures were temporary.

Yelp (www.yelp.com) reported that 26,160 restaurants were closed as of July 10, 2020, of which 15,770 had permanently closed. In addition, 5,454 bars and taverns were closed, of which 2,429 were permanent closures.

Black Box Intelligence (www.blackboxintelligence.com) reported that 12% of full-service chain locations remained closed as of August 16, 2020, approximately the same percentage as one month prior. Seven percent (7%) of limited-service chain restaurants remained closed five months into the pandemic.

The total number of restaurants that close permanently due the pandemic will depend on the length of the pandemic and severity of the resulting recession. The National Restaurant Association reported that estimates of permanent closures range from 3% to 53% of the pre-pandemic restaurant baseline.

In New York City alone, nearly 1,300 restaurants closed permanently between March and July.

1.2 Market Assessment

The U.S. Census Bureau (www.census.gov) reported that overall restaurant and bar sales during March 2020 were down 29.7% seasonally adjusted from February 2020 and down 26.7% unadjusted year-over-year.

Restaurant and bar sales were most impacted by the pandemic in April 2020, when adjusted sales were down 52.4% compared with one year prior. Sales began to rise in May 2020 when restaurant dining resumed with restrictions in many states. By July 2020, adjusted sales at restaurants and bars were down 18.9% compared with one year prior.

The U.S. Census Bureau reported unadjusted sales at restaurants, other eating places, and drinking places as follows:

	2019	2020
• January:	\$56.75 billion	\$60.77 billion
• February:	\$56.87 billion	\$62.18 billion
• March:	\$66.19 billion	\$49.74 billion
• April:	\$63.45 billion	\$30.21 billion
• May:	\$67.66 billion	\$42.30 billion
• June:	\$66.03 billion	\$50.89 billion
• July:	\$65.94 billion	\$54.40 billion
• August:	\$67.71 billion	
• September:	\$62.78 billion	
• October:	\$65.00 billion	
• November:	\$62.32 billion	
• December:	\$65.08 billion	

The Census Bureau adjusts sales data for seasonal variations, holidays, and trading-day differences, as follows:

	2019	2020	Month-Over-Month Change	Year-Over-Year Change
• January:	\$61.61 billion	\$65.55 billion	0.9%	6.3%
• February:	\$62.21 billion	\$65.35 billion	-0.3%	5.0%
• March:	\$62.67 billion	\$45.72 billion	-30.0%	-27.0%
• April:	\$63.07 billion	\$30.03 billion	-34.3%	-52.4%
• May:	\$63.71 billion	\$39.43 billion	31.3%	-38.1%
• June:	\$64.35 billion	\$49.94 billion	26.5%	-22.4%
• July:	\$64.71 billion	\$52.46 billion	5.0%	-18.9%
• August:	\$64.60 billion			
• September:	\$64.98 billion			
• October:	\$64.87 billion			
• November:	\$64.25 billion			
• December:	\$64.95 billion			

The Census Bureau posts monthly restaurant and bar sales data at www.census.gov/retail/marts/www/marts_current.pdf.

1.3 Chain Restaurants

Chain restaurants reported in June 2020 latest-quarter U.S. same-store sales change as follows:

	Quarter	Year-to-Date	Sector
• Wingstop:	31.9%	21.0%	Casual-dining
• Papa John's:	28.0%	16.7%	Pizza
• Domino's:	16.1%	8.8%	Pizza
• KFC:	7.0%	2.0%	Quick-service
• Pizza Hut:	5.0%	-1.0%	Pizza
• Baskin-Robbins:	-6.0%	-2.1%	Coffee/snack
• Pizza Inn:	-7.8%	-1.2%	Pizza
• McDonald's:	-8.7%	-4.3%	Quick-service
• El Pollo Loco:	-9.7%	-5.7%	Quick-service
• Chipotle Mexican Grill:	-9.8%	-3.3%	Casual-dining
• Del Taco:	-10.1%	-6.7%	Quick-service
• Habit Restaurants (corporate):	-18.0%	-13.5%	Casual-dining
• Dunkin':	-18.7%	-10.4%	Coffee/snack
• Taco Cabana:	-19.2%	-16.3%	Casual-dining
• Pie Five Pizza:	-21.4%	-14.4%	Pizza
• Pollo Tropical:	-31.6%	-19.4%	Casual-dining
• Texas Roadhouse (franchised):	-32.1%	-20.2%	Casual-dining
• Texas Roadhouse (corporate):	-32.4%	-20.2%	Casual-dining
• Outback Steakhouse (corporate):	-32.9%	-20.6%	Casual-dining
• Carrabba's Italian Grill:	-36.7%	-22.2%	Casual-dining
• Olive Garden*:	-39.2%	-8.6%	Casual-dining
• Starbucks:	-41.0%	-13.0%	Coffee/snack
• Cracker Barrel:	-41.7%	-11.8%	Family dining
• LongHorn Steakhouse*:	-45.3%	-8.8%	Casual-dining
• Shake Shack:	-49.0%	-31.3%	Casual-dining
• Applebee's Neighborhood Grill + Bar:	-49.4%	-29.1%	Casual-dining
• Denny's (franchised):	-56.1%	-28.4%	Family dining
• Fleming's Prime Steakhouse:	-56.3%	-33.6%	Casual-dining
• The Cheesecake Factory (corporate):	-56.9%	-35.0%	Casual-dining
• BJ's Restaurants:	-57.2%	-36.5%	Casual-dining
• Cheddar's Scratch Kitchen*:	-58.5%	-17.1%	Casual-dining
• Dave & Busters*:	-58.6%	-58.6%	Casual-dining
• IHOP:	-59.1%	-35.6%	Family dining
• The Capital Grille*:	-62.5%	-13.6%	Casual-dining
• Denny's (corporate):	-64.9%	-35.9%	Family dining
• Eddie V's*:	-65.2%	-15.2%	Casual-dining
• Bahama Breeze*:	-66.1%	-20.1%	Casual-dining
• Seasons 52*:	-69.9%	-18.7%	Casual-dining
• Yard House*:	-70.7%	-17.3%	Casual-dining
• Ruth's Chris Steakhouse (corporate):	-74.0%	-43.7%	Casual-dining

* Quarter ended May 2020

1.4 Independent Restaurants

Among the 660,000 restaurants operating in the U.S. prior to the pandemic, approximately 352,000 were independent.

According to one estimate, up to 75% of independent restaurants that closed during the pandemic shutdown won't survive the crisis.

“Large chains and well-funded restaurant groups have the resources to ride out a protracted shutdown, but the independent restaurants that make up about two-thirds of the American dining landscape – noodle shops, diners and that charming urban restaurant that always had a line out the door – may not survive.”

The New York Times, 3/20/20

BANKRUPTCIES & CLOSURES

2.1 Restaurant Company Bankruptcies and Liquidations

The following restaurant corporations filed for bankruptcy or announced liquidation (i.e., closure of all locations) during the pandemic:

California Pizza Kitchen

- The casual dining chain announced on July 30, 2020, that it had filed for voluntary Chapter 11 protection. The company said that it would close unprofitable locations, reduce its long-term debt load, and quickly emerge from bankruptcy as a much stronger company. There are currently over 200 CPK locations in eight countries and U.S. territories.

CEC Entertainment Inc.

- The parent company of Chuck E. Cheese's filed for Chapter 11 bankruptcy in June 2020. The Texas-based chain, with 610 locations in 47 states, had to close almost all of its stores when the pandemic struck.

CFRA Holdings

- CFRA, a franchisee with 49 IHOP locations in the Southeast, filed for Chapter 11 bankruptcy protection in May 2020. All locations were closed.

Craftworks Holdings

- Craftworks, operator of nine restaurant chains, including Logan's Roadhouse, Old Chicago Pizza & Taproom, Rock Bottom Restaurant & Brewery, and Big River Grille & Brewing Works, filed for Chapter 11 bankruptcy in March 2020. The company announced in April 2020 that all 230 Logan's Roadhouse locations throughout 23 states would remain closed indefinitely and possibly permanently.

FoodFirst Global Restaurants

- The parent company for Brio Italian Mediterranean and Bravo Fresh Italian filed for Chapter 11 bankruptcy protection in mid-April 2020. Prior to the pandemic, the management company had already closed 10 stores. Amid the coronavirus outbreak, closures climbed to 71 of its 92 restaurants. FoodFirst is seeking to sell the company.

Garbanzo Mediterranean Grill

- Colorado-based Garbanzo declared Chapter 11 bankruptcy in August 2020. The chain has 25 locations, 21 of which are operated by franchisees. The chain generated \$22.9 million in U.S. system sales in 2019.

Garden Fresh Restaurants

- The parent company of Sweet Tomatoes (called Souplantation in Southern California), a 97-location salad, soup, and bakery buffet chain, filed for Chapter 7 bankruptcy and announced in May 2020 the permanent closure of all locations. Approximately 4,400 employees were affected.

Il Mulino

- The upscale Italian restaurant chain filed for Chapter 11 bankruptcy protection for seven of its 16 locations in August 2020. Most of the locations seeking protection from creditors are located outside the high-end brand's home market of New York City, where it has five stores. Filing included units operated in Las Vegas, Miami Beach, Puerto Rico, Atlantic City (two locations), and the suburban New York towns of Roslyn and East Hampton.

Le Pain Quotidien

- The fast-casual bakery chain announced that it would close all 98 of its U.S. locations after filing for Chapter 11 bankruptcy protection in May 2020. However, at least 35 stores will potentially be reopened at a future date following a partial buyout by Aurify Brands.

Luby's

- In September 2020, Luby's Inc., the parent company of Luby's and Fuddrucker's, announced a plan to liquidate both restaurants. The brands operated 84 and 153 locations, respectively.

Luxury Dining Group

- The owner of upscale dining chain Fig & Olive declared Chapter 11 bankruptcy in July 2020. The eight-location chain, which operates in five states, plans to reorganize and reopen some locations.

Matchbox Food Group LLC

- The 12-unit casual-dining brand filed for Chapter 11 bankruptcy in August 2020. Matchbox, founded in 2003, has restaurants in the Washington, DC, area as well as in Florida, Maryland, Texas, and Virginia.

NPC International

- NPC International Inc., one of the largest franchisees of Pizza Hut and Wendy's, filed for Chapter 11 bankruptcy protection in early July 2020. The company operates more than 1,600 restaurant franchised locations.

Ruby Tuesday

- In October 2020, Ruby Tuesday filed for Chapter 11 bankruptcy and announced that it will close 185 or its 421 locations across the U.S. as part of its restructuring.

Sizzler

- Sizzler, the steakhouse chain that opened in 1958, filed for Chapter 11 bankruptcy protection in September 2020. The chain operated 107 locations across 10 states.

Specialty's Cafe and Bakery

- Specialty's Cafe and Bakery, with 50 restaurants in California, Washington, and Illinois, closed all locations in May 2020 after 33 years of business.

Sustainable Restaurant Holdings

- The parent company of Bamboo Sushi and QuickFish, two small restaurant chains with a combined 10 locations across the West Coast, filed for federal bankruptcy protection in April 2020. Bamboo Sushi was the first certified sustainable sushi restaurant in the U.S. and the first restaurant to know their carbon footprint down to the menu item.

TooJay's Deli

- Despite receiving \$6.4 million in Paycheck Protection Program (PPP) funds, Florida-based deli chain TooJay's filed for federal bankruptcy protection in April 2020, citing coronavirus as the cause. Most of the deli chain's 28 locations remained open for takeout and delivery.

2.2 Chain Restaurant Location Closures

Closings have not been uncommon in recent years in the competitive restaurant marketplace. Over 4,000 restaurants closed across the U.S. in 2019. The pandemic accelerated closures.

The following were some of the major restaurant closings announced during the first five months of the pandemic:

- Dunkin' announced it would close up to 1,150 underperforming restaurants in 2020.
- Pizza Hut is exiting the sit-down restaurant business, becoming a strictly carryout and delivery pizza chain, like Domino's and Papa John's. As part of the transition, the number of Pizza Hut locations will fall from around 7,450 to about 7,000.
- Restaurant Brands International, parent company of Burger King, Popeyes Louisiana Kitchen, and Tim Hortons, announced in August 2020 plans to close several hundred underperforming locations. The company operated 10,415 locations across the three brands at year-end 2019.
- Starbucks announced in June 2020 that it would shut down up to 400 of its company-owned stores.

Numerous units of other nationwide chains including Denny's, Fleming's Prime Steakhouse, Morton's the Steakhouse, Outback Steakhouse, P.F. Chang's, Steak 'n Shake, and TGI Fridays have also permanently shuttered.

2.3 Independent Restaurant Closures

The following are among the most recognized independent restaurants that closed permanently during the pandemic (sources: 24/7 Wall St. [www.247wallst.com] and *Restaurant Business*):

- 12@Madison (Denver, CO)
- 20th Street Café (Denver, CO)
- Alexander's Italian Bistro (Pittsburgh, PA)
- Anne and Bill's (Forest Park, GA)
- Aquagrill (New York, NY)
- Aureole (New York, NY)
- Bar Boulud (Boston, MA)
- Barrio Cafe Gran Reserva (Phoenix, AZ)
- Barry's Pizza (Houston, TX)
- Bernie's Burger Bus (Houston, TX)
- Beyoglu (New York, NY)
- Biba Restaurant (Sacramento, CA)
- Bill's Off Broadway (Seattle, WA)
- Blackbird (Chicago, IL)
- Blue's Egg (Shorewood, WI)
- Cameron Bar & Grill (Raleigh, NC)
- China Inn Restaurant (Louisville, KY)
- Citizen (Richmond, VA)
- City Cafe (Baltimore, MD)
- Clarke's Charcoal Broiler (Mountain View, CA)
- Clyde Common (Portland, OR)
- Coogan's (New York, NY)
- Craigie Burger (Boston, MA)
- Daddy-O (New York, NY)
- Ditka's (Chicago, IL)
- Döner Bistro (Frederick, MD)
- E' Tutto Qua (San Francisco, CA)
- El Zocalo Mexican Grille (Chandler, AZ)
- FARMiCiA (Philadelphia, PA)
- Firebox (Hartford, CT)
- Five Sixty (Dallas, TX)
- Fuji Ya (Minneapolis, MN)
- Gotham Bar and Grill (New York, NY)
- Grove Grill (Memphis, TN)
- Hakkasan (San Francisco, CA)

- Hattapon's Thai Kitchen (Greenfield, MA)
- Highland Park Cafeteria (Dallas, TX)
- Jackson's Prime (Fort Lauderdale, FL)
- Jake's Restaurant & Bar (Flemington, NJ)
- Jestine's Kitchen (Charleston, SC)
- Jewel Bako (New York, NY)
- John's Famous Stew [opened in 1911] (Indianapolis, IN)
- Joseph's Fireside Steakhouse (Waterville, ME)
- Jules Maes Saloon [opened in 1888] (Seattle, WA)
- Katana (Chicago, IL)
- K-Paul's Louisiana Kitchen (New Orleans, LA)
- Little Bucharest Bistro (Chicago, IL)
- Local 360 Cafe and Bar (Seattle, WA)
- Locanda (San Francisco, CA)
- Louis's Restaurant [opened in 1937] (San Francisco, CA)
- Lucky Strike (New York, NY)
- Luella's Gospel Bird (Chicago, IL)
- Markovski's Family Restaurant (Dearborn Heights, MI)
- McCrady's (Charleston, SC)
- Mi Mero Mole (Portland, ME)
- Mikette (Ann Arbor, MI)
- Momofuku Nishi (New York, NY)
- Momofuku CCDc (Washington, DC)
- Morels French Steakhouse & Bistro (Las Vegas, NV)
- Muddy Waters (Minneapolis, MN)
- Nel Centro (Portland, OR)
- Next Door American Eatery (Indianapolis, IN)
- NIX (New York, NY)
- Obra Miami (Miami, FL)
- Original Hot Dog Shop (Pittsburgh, PA)
- Pacific Way Bakery & Cafe (Gearhart, OR)
- Pacific Dining Car (Santa Monica, CA)
- Parkers Blue Ash Tavern (Cincinnati, OH)
- Parsnip Restaurant & Lounge (Cambridge, MA)
- Plum Tree Inn (Los Angeles, CA)
- Pok Pok (Portland, OR)
- R2L (Philadelphia, PA)
- REAL Gastropub (Honolulu, HI)
- Restaurant Dante (Cambridge, MA)
- Ritz Barbecue (Allentown, PA)
- Santa Fe Basque (Reno, NV)
- Satterfield's Upper Deck Restaurant (New Roads, LA)
- Semolina (Metairie, LA)
- Spice Kitchen & Bar (Cleveland, OH)

- Spring Chicken (Coral Gables, FL)
- Station House Cafe (Point Reyes Station, CA)
- Sweet Basil's Cafe (Cannon Beach, OR)
- Swingers (Los Angeles, CA)
- The Brooklyn Seafood, Steak & Oyster House (Seattle, WA)
- The Chef & the Cook (Baldwinsville, NY)
- The Cooperage (Albuquerque, NM)
- The Egg and I Diner (Minneapolis, MN)
- The Federal (Atlanta, GA)
- The Georgia Grille (Atlanta, GA)
- The Green Pheasant (Nashville, TN)
- The Joinery Restaurant (Newmarket, NH)
- The Market at Larimer Square (Denver, CO)
- The Paris Cafe (New York, NY)
- The Source (Washington, DC)
- The Table at Season to Taste (Cambridge, MA)
- Threadgill's (Austin, TX)
- Tilth (Seattle, WA)
- Toast (Chicago, IL)
- Ton Kiang (San Francisco, CA)
- Toro (New York, NY)
- Trattoria Cuoco (Seattle, WA)
- Trostel's Dish (Clive, IA)
- Troy's Family Restaurant (San Diego, CA)
- Uncle Andy's Diner (Portland, ME)
- Viognier Restaurant (San Mateo, CA)
- Vivo Kitchen (Apple Valley, MN)
- Yesterdays Restaurant and Tavern (Columbia, SC)

REDUCED DEMAND

3.1 Overview

Restaurant sales were impacted simultaneously by diminished demand as well as forced closures of their dining rooms during the pandemic. Even if restaurant operations, hypothetically, maintained normal operations, sales would have been dramatically reduced by curtailed operation of schools, hotels, offices, retail stores, commercial and industrial facilities, sports arenas and stadiums, and other venues.

3.2 Managed Foodservice

Most foodservice operations serving airports, schools, sports facilities, and other venues came to a virtual standstill during the pandemic.

According to Datassential (www.datassential.com), managed foodservice operations across the U.S. as of May 5, 2020, were as follows:

- Open for dine-in: 10%
- Open for carryout only: 55%
- Closed: 34%

Foodservice at healthcare facilities remained in operation; 67% of these operators offered carryout only.

For reference, the following is an assessment of the managed foodservice market:

- The National Restaurant Association (www.restaurant.org) reported sales by managed foodservice operators to restaurants at airports, hospitals, hotels, recreational facilities, schools, sports venues, and other venues totaled \$182.4 billion in 2019. Businesses, educational, governmental, and institutional organizations that operate their own restaurant services accounted for an additional \$64.6 billion in foodservice sales.
- According to the Census Bureau (www.census.gov), 77 million people are enrolled in school in the U.S. Colleges and universities spend over \$19 billion annually on commercial foodservice.
- Annual revenue from on-site game-day concessions at professional sports stadiums and arenas is approximately \$15 billion, according to *Sports Business Journal*.
- According to *ARN Fact Book*, published by Airport Revenue News (www.airportrevenue.com), annual food and beverage service at the 90 largest U.S. airports is \$5.1 billion.

3.3 Workday Meals

According to the Bureau of Labor Statistics (BLS, www.bls.gov), 151.1 million people ages 16 and older were employed in February 2020, prior to the pandemic. An estimated 4.2 million worked from home. Most who worked in offices, retail stores, industrial plants, and elsewhere outside the home ate at least one meal during the workday. These meal occasions included restaurant dining, restaurant carryout, food brought from home, onsite managed foodservice, and catered meals.

According to *Restaurant Business*, 21% of adults who work outside the home say they often place a catering order with a restaurant for lunch with co-workers. Among those ages 18-to-34, 35% say they often place a lunchtime catering order. Annual spending for catering is \$44 billion, according to Technomic (www.technomic.com). Restaurant garner 38% of the catering market; the balance is shared by caterers, supermarkets, warehouse clubs, and other retailers.

Employment dropped to 130.3 million in April 2020 during the coronavirus pandemic. Among those employed, 51% transitioned to working from home during the pandemic. People who continued to work outside the home modified their workday meals, shifting away from dining at restaurants to carryout and food brought from home.

Most restaurant co-located in office buildings depend on workday dining for their livelihood. Many have now shuttered.

Facebook, Twitter, and many other technology companies have announced that employees working from home during the pandemic will continue to do so permanently. Google will let employees work from home until at least July 2021.

“Indefinite. Or even permanent. These are words companies are using about their employees working from home. After three months of much of the country working from home, many employers and their workers now say the benefits of remote work – cost savings and a more relaxed atmosphere – outweigh the drawbacks.”

NPR, 6/22/20

Companies in the financial sector have made similar announcements. Nationwide Insurance, for instance, shuttered five regional offices after finding that remote work went so smoothly during the pandemic.

According to Global Workplace Analytics (www.globalwpa.com), a typical employer can save about \$11,000 a year for every person who works remotely half of the time. Workers can save between \$2,500 and \$4,000 a year working remotely half time.

3.4 Travel and Tourism

Poll after poll has shown that the vast majority of people are likely to avoid traveling for some time.

Forty-eight percent (48%) of adults cancelled Summer 2020 travel plans, 36% had no travel plans, and only 16% still had summer travel itineraries as of May 2020.

According to the National Restaurant Association, travelers and tourists represent an average of 29% of sales for fine-dining operators, approximately 25% of sales for family-dining and casual-dining operators, 19% of sales for quick-service operators, and 15% of sales for fast-casual operators.

Leisure travel is likely to return first to domestic markets with 'staycations,' then to nearby destinations within the country before expanding across regions, and then finally across continents with the return of journeys to long-haul international destinations.

RESTAURANT BRANDS

4.1 Overview

Apple and Google have made public anonymized mobility data to help organizations and people respond to the COVID-19 pandemic. Domo (www.domo.com) and SafeGraph (www.safegraph.com) analyzed millions of anonymized samples of location data gathered from people's cellphones, comparing customer traffic during the pandemic to the prior year.

4.2 Customer Traffic

Average daily customer traffic for restaurant brands from May 27, 2020 through August 15, 2020, indexed to the same days in 2019, was as follows:

• Sonic:	132.86
• Culvers:	117.54
• Dairy Queen:	112.51
• Chick-fil-A:	110.42
• Zaxby's:	109.91
• Hardee's:	108.39
• Whataburger:	107.85
• Taco Bell:	106.20
• Jack In The Box:	104.92
• Papa Murphy's:	104.29
• Dunkin':	104.23
• Marco's Pizza:	103.94
• Tropical Smoothie Cafe:	103.34
• Domino's Pizza:	100.93
• KFC:	100.84
• Wendy's:	100.73
• Little Caesars:	100.45
• Firehouse Subs:	99.61
• Church's Chicken:	99.18
• Papa John's:	99.28
• Carl's Jr.:	97.79
• McDonald's:	97.44
• Burger King:	97.30
• Panda Express:	96.83

- Krispy Kruchy Chicken: 95.42
- Smoothie King: 95.36
- Wingstop: 94.99
- Baskin Robbins: 94.68
- Jersey Mike's: 92.83
- Jimmy John's: 89.29
- Pizza Jut: 88.98
- Jamba Juice: 88.18
- Five Guys: 86.46
- Cold Stone Creamery: 86.14
- Chipotle Mexican Grill: 85.64
- Starbucks: 85.27
- Waffle House: 79.11
- Panera Bread: 78.48
- Subway: 77.79
- Chili's Grill & Bar: 77.30
- Applebee's: 76.74
- Buffalo Wild Wings: 76.17
- Denny's: 75.99
- Olive Garden: 72.36
- Auntie Anne's: 71.06
- IHOP: 68.27
- Sweetgreen: 32.60

Daily customer traffic data from May 27, 2020 through August 15, 2020 is available at www.domo.com/covid19/economy/.

RESTAURANT CUSTOMERS

5.1 Consumers Miss Dining Out

An April 2020 survey by The Harris Poll (www.theharrispoll.com) asked adults how much they missed dining out at a restaurant or bar.

Seventy percent (70%) of adults said they missed dining out a lot or somewhat. Responses among men and women were virtually identical.

Among nine leisure and social activities, adults missed only gatherings with family and friends more than dining out. They missed the following activities less than dining out:

- Shopping in stores
- Going to social gathering
- Attending concerts/theatre/sports
- Watching sports on TV
- Going to a movie theater
- Going to a local coffeeshop
- Going to a gym/fitness class

By demographic, adults missed dining out at restaurants and bars during the coronavirus-related shutdown as follows:

Gender	A Lot	Somewhat	Not Very Much	Not At All
• Female:	36%	35%	14%	16%
• Male:	31%	39%	15%	16%
Age				
• 18-to-34:	38%	31%	18%	14%
• 35-to-49:	36%	35%	11%	18%
• 50-to-64:	28%	41%	12%	20%
• 65 and older:	31%	41%	16%	12%
Annual Income				
• Less than \$50,000:	26%	34%	17%	22%
• \$50,000 to \$75,000:	30%	41%	13%	15%
• More than \$75,000:	39%	36%	13%	11%
Family				
• Parent:	34%	35%	15%	16%
• No children:	32%	38%	14%	16%

Region

• Northeast:	38%	35%	13%	14%
• South:	32%	39%	13%	17%
• Midwest:	32%	34%	16%	18%
• West:	33%	37%	16%	14%
All Adults:	33%	37%	14%	16%

The Harris Poll repeated the survey 17 times from April 2020 through August 2020. On average, 72% of adults said they missed dining out a lot or somewhat; the standard deviation was 2.0%. There was no significant variation in responses as the pandemic progressed; adults missed dining out to about the same extent throughout the five-month period that the survey was conducted.

5.2 Resuming Dining Out Activities

The Harris Poll asked adults in each of the nine surveys when they would resume dining out after the government provided information that the spread of COVID-19 had flattened.

In April 2020, 70% of adults said they would resume dining out within three months. In August 2020, 58% of adults said they would do so within three months.

Respondents to the Harris Poll said they would resume dining out activities as follows:

	April 2020	August 2020
• Immediately:	16%	18%
• 1-to-30 days:	30%	22%
• 2-to-3 months:	24%	18%
• 4-to-6:	15%	18%
• 7-to-11:	7%	10%
• One year or longer:	7%	13%
• Never again:	2%	2%

Responses by gender in the August 2020 poll were as follows:

	Female	Male
• Immediately:	19%	17%
• 1-to-30 days:	18%	25%
• 2-to-3 months:	15%	22%
• 4-to-6:	18%	17%
• 7-to-11:	10%	10%
• One year or longer:	17%	8%
• Never again:	2%	2%

5.3 Changes In Eating & Drinking

An April 2020 survey by The Harris Poll asked adults about anticipated changes in their eating and drinking habits after the pandemic is over and things have returned to normal. Responses were as follows:

- Mostly the same: 52%
- Somewhat different: 30%
- Very different: 17%

Responses by demographic were as follows:

Gender	Mostly the Same	Somewhat Different	Very Different
• Female:	52%	30%	18%
• Male:	52%	31%	16%
Age			
• 18-to-34:	40%	37%	23%
• 35-to-49:	44%	35%	21%
• 50-to-64:	66%	23%	11%
• 65 and older:	63%	25%	12%
Annual Income			
• Less than \$50,000:	54%	29%	17%
• \$50,000 to \$75,000:	54%	31%	15%
• More than \$75,000:	51%	32%	17%
Family			
• Parent:	52%	30%	19%
• No children:	53%	31%	15%
Region			
• Northeast:	45%	37%	18%
• South:	53%	29%	18%
• Midwest:	61%	24%	15%
• West:	48%	33%	18%

6

RESTAURANT EMPLOYEES

6.1 Overview

Prior to the pandemic, the restaurant and food service sector employed approximately 12 million people, or about 10% of the U.S. workforce. It is the second largest private employer in the U.S., behind healthcare.

6.2 Job Losses

Many local and most state governments required mandatory closure of dine-in restaurants and bars starting between March 15 and March 20, 2020, causing massive layoffs and terminations of employees.

According to the Bureau of Labor Statistics (BLS, www.bls.gov), the restaurant and foodservice industry lost 500,000 jobs in March 2020 and 5.5 million jobs in April 2020, on a seasonally-adjusted basis. This is nearly three times more losses than any other industry.

Layoffs affected employees at both chain and independent restaurants. Union Square Hospitality Group, which the *New York Post* described as "largely seen as the gold standard for employment practices in the industry," laid off 2,000 employees in March 2020.

As of July 31, 2020, the restaurant and foodservice industry had 9.7 million employees on a seasonally adjusted basis. This was 2.4 million fewer people working in restaurants and bars than the 12 million who were employed in July 2019, a 19.7% decline.

6.3 Unemployment Benefits

Unemployment benefits and restaurant relief funds helped keep eligible workers financially afloat while they were awaiting rehiring or searching for another job. The \$2 trillion Coronavirus Aid, Relief, and Economic Security Act – dubbed the CARES Act – gave unemployed restaurant workers an additional cushion of \$600 a week through July 31, 2020, plus a one-time stimulus checks of up to \$1,200.

A centerpiece of the bill was designed to help restaurants struggling with the impact of forced dining room closures. Through the Payroll Protection Program, restaurant businesses could apply for federal loans that could be forgiven depending on whether workers remained on the payroll or were re-hired.

6.4 Rehiring

Restaurants and bars led the non-farm sector of the economy in rehiring during July 2020, according to the U.S. Bureau of Labor Statistics, with 502,000 individuals added to payrolls as dining rooms across the country reopened and carryout sales remained strong. Eating and drinking places accounted for nearly 28.5% of jobs created outside of the agriculture industry during the month.

RESTAURANT SAFETY & HYGIENE

7.1 Mandates For Restaurants

All restaurants are mandated by state and local health department to comply with rules that minimize the spread of COVID-19. These mandates generally incorporate guidelines promulgated by the Centers for Disease Control and Prevention (see Chapter 25). A number of eateries being shut down across the country for violating these rules.

“Many restaurant owners have been so eager to start opening again that they may be overlooking some important guidelines designed to keep both customers and employees safe from COVID-19. According to reports from around the country, many dining establishments are being temporarily shut down as a result of neglecting these safety protocols.”

MSN.com, 7/29/20

7.2 Most Frequent Violations

The most frequent violations of CDC guidelines have been as follows:

Employees Not Wearing Masks

- The CDC guidelines are very clear that establishments must require the use of cloth face coverings among all staff, as feasible.

Dining Tables Not Six Feet Apart

- The CDC requires bars and restaurants to change their layouts to ensure that all customer parties remain at least 6 feet apart, marking tables/stools that are not for use.

Mask Requirements For Patrons Not Enforced

- The CDC guidelines suggest that everyone inside a restaurant wears a mask, not just staffers. However, these guidelines are typically mandated by state health departments.

Restaurants Over Capacity

- Overcrowded bars and restaurants are perfect environments for the exchange of germs and viruses. Some state regulations require that restaurants operate at a specified reduced capacity.

Alcohol Being Served, But Not Food

- Some states and local mandates require that food be sold along with alcohol sales in order for a business to remain open. This was mandated by Governor Andrew Cuomo in New York State, for instance, and several bars were closed because they were found to be serving alcohol without food.

7.3 Mask Mandate Enforcement

Among health-related issues, restaurants find mask requirements most challenging to implement. Some people simply refuse to wear masks and become aggressive when faced with enforcement of state and local mandates. This problem has been seen at not only restaurants, but also in commercial and public buildings of all types across the country.

There have been shootings related to mask enforcement at restaurants in Aurora, Colorado; Forest City, North Carolina; and Oklahoma City, Oklahoma. Assaults of restaurant employees number in the hundreds across the country.

Numerous restaurants have closed their dining rooms and resumed carryout-only operations rather than subject their staff to mask-related harassment.

“It has to be ridiculously frustrating for restaurant owners to have to decide to close, especially since most of them have just been given the greenlight to re-open their indoor dining areas again. But the patrons who don't want to wear masks really don't want to do it, and it can be uncomfortable for restaurant workers to try to enforce those policies. It can also be dangerous.”

Food & Wine, 7/1/20

THE FOOD SUPPLY CHAIN

8.1 Overview

As the pandemic forced closures of businesses, event venues, hotels, restaurants, and schools, the demand for food and beverage products was greatly diminished. Many farms chose to destroy millions of pounds of eggs, produce, and other goods which were effectively overproduced. In early April 2020, while grocery stores were experiencing shortages of dairy products, farmers whose main customers were in the food service supply chain were dumping their milk because of lack of demand.

“The issue is, processors who primarily supply to food service buyers simply don’t have the infrastructure to quickly pivot to retail. If you have a factory that was set up to produce sour cream to sell at Mexican restaurants, you can’t just decide that tomorrow you’re gonna produce ice cream and send it to the grocery store. Additionally, processors that do supply to retailers typically run a tight ship, meaning that they don’t have a lot of surplus equipment to absorb unexpected surges in supply or demand.”

Christopher A. Wolf, Ph.D., Economist
S.C. Johnson College of Business
Cornell University
The Counter, 4/8/20

Researchers from the University of Missouri estimate that U.S. farmers and ranchers will lose approximately \$20 billion in revenue during 2020 due to the pandemic.

8.2 Food Prices

In April 2020, food prices experienced the largest monthly price change in almost 50 years, according to the Bureau of Labor Statistics (www.bls.gov). Month-over-month food price changes were as follows:

- Eggs: 16.1%
- Pork chops: 7.4%
- Poultry: 5.8%
- Hot dogs: 5.7%
- Apples: 4.9%
- Bread: 3.7%

“Increases reflect classic supply-and-demand economics. Disruptions in the food supply linked to meat processing plant closures and slowdowns, along with a shift in production from restaurants and institutions to retail, led to increases. You can also toss in panic buying.”

Detroit Free Press, 5/22/20

Pricing for meat, poultry, and dairy products remained high throughout the pandemic. Fruit and vegetable prices dropped soon after the onset of the pandemic.

The U.S. Department of Agriculture (USDA; www.usda.gov) estimates changes in food prices in 2020 and, for comparison, 20-year historical average price changes as follows:

	2020 Estimate	20-Year Avg.
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8.3 Food Production

Several meat processing and packaging plants across the U.S. suspended

operations temporarily due to coronavirus outbreaks in the workforce. The Food & Environment Reporting Network (www.thefern.org) estimated that over 200 plants had outbreaks, at least 17,000 workers were sickened and at least 66 workers died.

USDA's National Agricultural Statistics Service estimated that beef production in April 2020 was 20% lower than in April 2019; pork production fell 10%.

According to the United Food and Commercial Workers International Union (www.ufcw.org), which represents more than 250,000 meatpacking and food processing workers, at least 13 processing plants closed in March and April 2020, resulting in a 25% reduction in pork slaughter capacity and 10% reduction in beef slaughter capacity.

Three of the largest pork processing plants in the U.S. closed indefinitely: Smithfield Foods (Sioux Falls, SD), JBS (Worthington, MN), and Tyson Fresh Meats (Waterloo, IA). Together, the three plants account for approximately 15% of U.S. pork production. Several other small and medium-sized pork slaughterhouses also closed temporarily.

Shortages of pepperoni, a cured mixture of pork and beef, were reported in August 2020 as some producers chose to focus on other processed meat products during the COVID-19 pandemic. The production of pepperoni is labor intensive and has a low profit margin. When available, pizza shop owners reported paying as much as \$2 more per pound compared to the period before the pandemic. In a survey by YouGov (www.yougov.com), 53% of adults selected pepperoni as one of their top three favorite pizza toppings.

By early May 2020, about 20% of Wendy's locations had no beef to serve. Wendy's uses refrigerated, not frozen, meat products.

8.4 Food Imports

The U.S. normally relies on imports for about 15% of total food consumption. But for some products such as fruits and tree nuts (generally during winter months) and certain meat cuts, imports account for much higher shares. For those products, significant supply disruptions in source countries could potentially lead to shortages and higher prices in the U.S. market. However, industry statistics on trade flows reported that even countries heavily affected by COVID-19 spread continued to ship food products to the U.S.

PART II: PANDEMIC & POST-PANDEMIC DINING

EATING & DRINKING BEHAVIORS

9.1 Eating & Drinking Behaviors During Shutdown

An April 2020 survey by The Harris Poll (www.theharrispoll.com) asked adults about how their eating and drinking behaviors changed during the coronavirus-related shutdown. Responses were as follows:

	More	Same	Less
• Alcoholic beverages*:	20%	34%	16%
• Candy and chocolate:	26%	45%	23%
• Coffee and tea:	35%	48%	11%
• Fast food:	17%	23%	50%
• Fresh fruit and vegetables:	42%	40%	17%
• Home-cooked meals:	68%	25%	7%
• Ready-to-eat meals:	35%	40%	17%
• Snack foods:	40%	42%	15%
• Soft drinks:	24%	42%	19%

* See Chapter 17

9.2 Candy and Chocolate

By demographic, adults consumed candy and chocolate during the coronavirus-related shutdown as follows:

Gender	More	Same	Less
• Female:	25%	48%	21%
• Male:	27%	42%	24%

Age

• 18-to-34:	33%	32%	29%
• 35-to-49:	34%	41%	21%
• 50-to-64:	20%	55%	19%
• 65 and older:	14%	57%	20%

Annual Income

• Less than \$50,000:	25%	46%	23%
• \$50,000 to \$75,000:	25%	50%	19%
• More than \$75,000:	28%	43%	24%

Family			
• Parent:	29%	45%	22%
• No children:	22%	46%	24%
Region			
• Northeast:	31%	44%	19%
• South:	27%	48%	20%
• Midwest:	22%	46%	26%
• West:	26%	41%	27%
All Adults:	26%	45%	23%

9.3 Coffee and Tea

By demographic, adults consumed coffee and tea during the coronavirus-related shutdown as follows:

Gender	More	Same	Less
• Female:	37%	50%	10%
• Male:	33%	45%	11%
Age			
• 18-to-34:	44%	32%	16%
• 35-to-49:	41%	40%	13%
• 50-to-64:	28%	57%	6%
• 65 and older:	23%	67%	6%
Annual Income			
• Less than \$50,000:	31%	48%	12%
• \$50,000 to \$75,000:	30%	50%	10%
• More than \$75,000:	39%	47%	10%
Family			
• Parent:	38%	46%	11%
• No children:	31%	49%	11%
Region			
• Northeast:	40%	45%	9%
• South:	34%	49%	11%
• Midwest:	35%	47%	8%
• West:	33%	48%	14%
All Adults:	35%	48%	11%

9.4 Fast Food

By demographic, adults consumed fast food during the coronavirus-related shutdown as follows:

Gender	More	Same	Less
• Female:	14%	24%	51%
• Male:	20%	22%	49%
Age			
• 18-to-34:	26%	21%	47%
• 35-to-49:	18%	19%	54%
• 50-to-64:	13%	26%	51%
• 65 and older:	7%	28%	48%
Annual Income			
• Less than \$50,000:	15%	25%	49%
• \$50,000 to \$75,000:	14%	25%	50%
• More than \$75,000:	19%	21%	51%
Family			
• Parent:	18%	23%	51%
• No children:	16%	24%	48%
Region			
• Northeast:	21%	25%	39%
• South:	14%	22%	54%
• Midwest:	15%	23%	53%
• West:	20%	23%	48%
All Adults:	17%	23%	50%

9.5 Fresh Fruit and Vegetables

By demographic, adults consumed fresh fruit and vegetables during the coronavirus-related shutdown as follows:

Gender	More	Same	Less
• Female:	40%	42%	17%
• Male:	45%	38%	17%
Age			
• 18-to-34:	50%	29%	19%
• 35-to-49:	47%	33%	19%
• 50-to-64:	38%	47%	14%
• 65 and older:	31%	53%	15%

Annual Income

• Less than \$50,000:	37%	44%	17%
• \$50,000 to \$75,000:	38%	47%	13%
• More than \$75,000:	47%	34%	19%

Family

• Parent:	45%	38%	17%
• No children:	38%	42%	17%

Region

• Northeast:	45%	37%	18%
• South:	41%	40%	17%
• Midwest:	42%	40%	17%
• West:	42%	41%	16%

All Adults:	42%	40%	17%
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9.6 Home-Cooked Meals

By demographic, adults consumed home-cooked meals during the coronavirus-related shutdown as follows:

Gender	More	Same	Less
• Female:	69%	25%	5%
• Male:	66%	24%	8%

Age

• 18-to-34:	69%	17%	13%
• 35-to-49:	74%	19%	6%
• 50-to-64:	67%	30%	2%
• 65 and older:	60%	36%	4%

Annual Income

• Less than \$50,000:	59%	32%	8%
• \$50,000 to \$75,000:	67%	26%	5%
• More than \$75,000:	74%	19%	6%

Family

• Parent:	69%	23%	7%
• No children:	66%	27%	6%

Region

• Northeast:	69%	24%	7%
• South:	68%	24%	7%
• Midwest:	72%	24%	4%
• West:	64%	26%	8%

All Adults:	68%	25%	7%
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9.7 Ready-To-Eat Meals

By demographic, adults consumed ready-to-eat meals during the coronavirus-related shutdown as follows:

Gender	More	Same	Less
• Female:	34%	37%	15%
• Male:	36%	42%	19%

Age	More	Same	Less
• 18-to-34:	47%	27%	20%
• 35-to-49:	39%	35%	19%
• 50-to-64:	27%	51%	15%
• 65 and older:	22%	50%	14%

Annual Income	More	Same	Less
• Less than \$50,000:	32%	43%	17%
• \$50,000 to \$75,000:	35%	44%	14%
• More than \$75,000:	37%	36%	19%

Family	More	Same	Less
• Parent:	35%	38%	19%
• No children:	34%	42%	14%

Region	More	Same	Less
• Northeast:	36%	37%	18%
• South:	36%	41%	16%
• Midwest:	32%	41%	19%
• West:	35%	39%	16%

All Adults:	35%	40%	17%
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9.8 Snack Foods

By demographic, adults consumed snack foods during the coronavirus-related shutdown as follows:

Gender	More	Same	Less
• Female:	41%	43%	13%
• Male:	39%	40%	17%

Age

• 18-to-34:	53%	30%	15%
• 35-to-49:	47%	35%	15%
• 50-to-64:	33%	52%	13%
• 65 and older:	23%	54%	16%

Annual Income

• Less than \$50,000:	38%	42%	18%
• \$50,000 to \$75,000:	40%	45%	12%
• More than \$75,000:	42%	41%	14%

Family

• Parent:	41%	41%	16%
• No children:	39%	42%	14%

Region

• Northeast:	46%	37%	14%
• South:	42%	41%	14%
• Midwest:	35%	44%	16%
• West:	37%	45%	16%

All Adults:	40%	42%	15%
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9.9 Soft Drinks

By demographic, adults consumed soft drinks during the coronavirus-related shutdown as follows:

Gender	More	Same	Less
• Female:	21%	42%	20%
• Male:	28%	41%	19%

Age

• 18-to-34:	36%	32%	24%
• 35-to-49:	32%	34%	24%
• 50-to-64:	17%	50%	15%
• 65 and older:	8%	53%	13%

Annual Income

• Less than \$50,000:	23%	45%	19%
• \$50,000 to \$75,000:	21%	42%	23%
• More than \$75,000:	27%	40%	19%

Family

• Parent:	27%	40%	19%
• No children:	21%	44%	20%

Region

• Northeast:	27%	37%	21%
• South:	26%	43%	17%
• Midwest:	22%	44%	19%
• West:	21%	41%	22%

All Adults:	24%	42%	19%
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CUISINE & MENU TRENDS

10.1 Preferences For Carryout And Delivery

Chicken and pizza stood out as customer favorites during the pandemic.

DoorDash (www.doordash.com) reported that the chicken sandwich was the #1 menu item ordered through the first half of 2020. The popularity of chicken sandwiches predated the pandemic as competition between Chick-Fil-A and Popeyes drew a large social media following in late-2019.

Chick-Fil-A, Raising Cane's Chicken Fingers, and Wingstop each had sales growth of 20% during 2Q 2020; Popeyes had an 18% increase.

The June 2020 American Customer Satisfaction Index (www.theacsi.org) ranked Chick-fil-A #1 in customer satisfaction among all restaurant chains.

Placer Labs (www.placer.ai) reported Popeyes' visits up 40% year-over-year in 2020.

“A number of chicken chains have reported an acceleration in sales growth since April. Industry experts say that success is due, in part, to delivery expertise as well as massive social media boosts.”

Nation's Restaurant News, 7/13/20

DoorDash found that 53% of adults were seeking out comfort foods during the pandemic. Pizza topped the list of comfort foods.

Domino's, the largest pizza chain, reported a 16.1% increase in same-store sales in 2Q 2020. Domino's garners 36% of U.S. pizza delivery compared with a combined total of 26% for other major national chains. Regional chains and independent restaurants have a 38% share.

Papa John's reported that sales at its North American restaurants saw a 28% increase in 2Q 2020. Pizza Hut's off-premise business was up 21% in 2Q 2020.

“We’re eating a lot more pizza during the pandemic. Pizza is the perfect comfort food – not too messy, hard to mess up, good whether it’s hot or cold, and does not require silverware. It’s just a perfect guaranteed meal to have during such uncertain times.”

Fortune, 8/12/20

10.2 Preferences As Dining Reopens

As the pandemic progressed and restricted restaurant dining was allowed in most states, consumers’ cuisine interests expanded.

Yelp Economic Average (www.yelpeconomicaverage.com) reported increases in searches relative to other cuisine categories during June and July 2020 as follows:

- German cuisine: 35%
- Live and raw food: 36%
- French cuisine: 21%
- Steakhouses: 20%

Fast casual and common delivery foods declined in searches relative to other cuisine categories during June and July 2020 as follows:

- Fast food: -19%
- Chicken wings: -15%
- Cheesesteaks: -8%
- Pizza: -7%

10.3 Regional Preferences

While pizza and chicken/chicken sandwiches were most popular across the U.S., regional trends for other favorite menu items became evident during the pandemic. Two studies assessed menu items frequently ordered in each state relative to its popularity in other states using a technique known as Frequency-Inverse Document Frequency. These assessments are presented in Chapters 21 and 23.

RESTAURANT OPERATIONS

11.1 Overview

In May 2020, Datassential (www.datassential.com) surveyed restaurants and managed foodservice operators to ascertain operations and hygiene practices during the pandemic. The study, *One Table: Operator Insights and the Path Forward*, is summarized in this chapter. The complete survey is available online at <https://datassential.com/wp-content/uploads/2020/06/datassential-one-table-operator-report-f.pdf>.

11.2 Front-of-House Changes

Restaurants and foodservice operators made front-of-house changes during the pandemic as follows:

- Visibly wiping down and sanitizing tables, kiosks, etc.: 85%
- Providing and requiring employees to wear masks: 73%
- Removing condiment bottles from tables: 58%
- Providing disinfectant wipes/sanitizer for customers: 55%
- Adding signage regarding sanitation: 54%
- Providing and requiring employees to wear gloves: 51%
- Switching to individually wrapped silverware and condiments: 41%
- Offering contactless payment: 35%
- Single-use menus: 29%
- Sanitizing customers' credit cards after handling them: 19%
- Requiring reservations to manage crowd: 19%
- Disposable table linens/coverings: 17%
- Require order ahead: 16%
- Providing sink for customer use outside bathroom: 7%

Sixty-one percent (61%) of restaurants and foodservice operators removed tables to maintain a 6' distance between tables. By sector, those that did so were as follows:

- Full-service restaurants: 71%
- Foodservice operators: 57%
- Limited-service restaurants: 51%

Restaurants and foodservice operators discontinued self-serve stations as follows:

- Salad bar: 66%
- Hot bar: 56%
- Condiment stations: 53%
- Beverage stations: 33%
- Coffee/tea dispensers: 30%
- Soda fountain: 26%

11.3 Back-of-House Changes

Fifty-five percent (55%) of restaurants and foodservice operators changed back-of-house protocols. By sector, those that did so were as follows:

- Casual dining: 63%
- Fine dining: 54%
- Foodservice operators: 54%
- Quick-service restaurants: 54%
- Fast-casual: 35%

Thirty-seven percent (37%) of restaurants and foodservice operators considered switching some bulk items to single-serve. By sector, those that did so were as follows:

- Foodservice operators: 47%
- Quick-service restaurants: 42%
- Casual dining: 29%
- Fine dining: 22%
- Fast-casual: 20%

Thirty-two percent (32%) of restaurants and foodservice operators switched to more convenience-based products to help simplify prep or accommodate reduced labor. By sector, those that did so were as follows:

- Foodservice operators: 51%
- Quick-service restaurants: 29%
- Fast-casual: 27%
- Casual dining: 24%
- Fine dining: 14%

Sixteen percent (16%) of restaurants and foodservice operators considered switching to a shared-kitchen space or commissary-kitchen model. By sector, those that did so were as follows:

- Quick-service restaurants: 17%
- Foodservice operators: 19%
- Casual dining: 13%
- Fast-casual: 13%
- Fine dining: 8%

11.4 Inventory

Many restaurants and foodservice operators struggled with inventory levels during the pandemic because of unpredictable customer demand and food supply shortages. When asked about current inventory levels, responses were as follows:

- Right amount of inventory: 46%
- Shortage on some items: 27%
- Too much inventory: 21%
- Not enough inventory: 6%

Food items with a longer shelf-life became more appealing and helped operators manage unnecessary food waste during the pandemic. Restaurants and foodservice operators said they were ordering more of the following items:

	Limited-Service	Full-Service	On-Site	Total
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11.5 Menu Changes

Fifty-three percent (53%) of restaurants and foodservice operators reported that customers were ordering a narrower set of familiar items during the pandemic; 47% found that customers were ordering just as they were prior to the pandemic.

Restaurants and foodservice operators found customers ordering menu items during the pandemic as follows:

	More	Same	Less
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Restaurants and foodservice operators changed their menus compared with pre-COVID-19 as follows:

- Same number of menu items: 61%
- Reduced number of menu items: 35%
- Increased number of menu items: 4%

Regarding menu planning, operator activities during the pandemic were as follows:

- Paused menu planning to focus on other priorities: 44%
- Reframed planning around changes caused by the pandemic: 38%
- Used pandemic as an opportunity to try new menu items: 18%

Restaurants and foodservice operators introduced new menu offerings, and plan to continue these offerings, as follows:

	New Offering	Plan To Continue
• Family size meals/bulk meals:	31%	69%
• Meal kits/take-and-bake:	25%	61%
• Discounts:	22%	47%
• To-go alcoholic beverages:	19%	49%
• Pantry/grocery items:	16%	54%
• Donation fund for staff:	13%	44%
• Gift cards:	12%	95%
• Non-food, non-perishable items:	11%	49%

11.6 Packaging

Forty-one percent (41%) of restaurants and foodservice operators made changes in takeout packaging to increase safety and adapt to an emphasis on to-go during the pandemic. Types of packaging not used previously and initiated during the pandemic were as follows:

- Utensils individually sealed in plastic: 52%
- Individual condiment packets instead of cups filled in-house: 47%
- Plastic containers with lids over Styrofoam: 42%
- Containers with tamper-proof seals: 24%
- Plastic bags over paper: 23%
- Double-bagged containers: 13%

11.7 Ordering, Takeout, and Delivery

Restaurants provide the following options for customers to order ahead:

- Call restaurant directly: 96%
- Third-party app: 47%
- Website: 47%
- In-house app: 19%

Restaurants offered options for carryout during the pandemic as follows:

	Existing Service	New Service	Total
• Order ahead + pick-up curbside:	22%	54%	76%
• Order ahead + pick-up inside:	60%	8%	68%
• Third-party delivery:	44%	14%	58%
• Restaurant delivery:	46%	9%	55%
• Order at inside counter:	45%	5%	50%
• Drive-thru ordering:	13%	2%	15%

Forty-four percent (44%) of restaurants offered free delivery during the pandemic. Among these restaurants, 50% felt that free delivery was a sustainable business model; 50% did not plan to continue to offer this service after pandemic restrictions lift.

12

CARRYOUT

12.1 Comparison Of Carryout Options

A survey by Bluedot (<https://bluedot.io>) asked adults which restaurant carryout option they felt was safest with regard to protection against coronavirus exposure.

Responses were as follows:

Gender	Drive-Thru	Curbside	In-Store Pickup
• Female:	39%	23%	9%
• Male:	37%	19%	9%
• Total:	38%	21%	9%

Region

• Midwest:	43%	24%	11%
• West:	41%	20%	7%
• South:	38%	21%	11%
• Northeast:	29%	20%	10%

12.2 Trends During The Pandemic

According to Bluedot, 27% of adults said they used drive-thrus more in April 2020 than prior to the pandemic; 16% used drive-thrus the same. Those percentages increased to 40% and 34%, respectively, in July 2020.

“Restaurants’ sales plummeted in mid-March as dining rooms across the U.S. were forced to shut down. While sales have recovered in the months since, one of the biggest determining factors in how far sales dropped and how quickly they improved was if a restaurant had a drive-thru. Chains with fewer drive-thrus than rivals are now playing catch up, especially as the pandemic threatens to stretch into 2021.”

Business Insider, 8/2/20

McDonald's, the largest quick-service chain, reported that drive-thrus accounted for 90% of sales during 2Q 2020; that figure was 70% prior to the pandemic. Changes such as simplifying its menu were made during the pandemic to make lines move faster. McDonald's was well positioned for success during when the pandemic hit. In 2019, the company spent hundreds of millions of dollars on its drive-thrus, installing digital menu boards that prod customers to place larger, more expensive orders. At some locations, McDonald's installed cameras that recognize license-plate numbers, allowing the company to tailor a list of suggested purchases from a customer's previous orders.

So successful were drive-thrus during the early months of the pandemic that some chains were reluctant to reopen dining rooms, even when permitted to do so. David Gibbs, the CEO of Yum! Brands – the parent company of Taco Bell, KFC, and Pizza Hut – said in an August 2020 interview that drive-thru sales have been so significant that reopening dining rooms was “not critical to our success.”

“The success of the drive-thru, as well as curbside pick-up and delivery, has convinced some chains and franchisees that it isn't even worth reopening dining rooms. By keeping dining rooms closed and relying more heavily on drive-thru traffic, restaurants can cut back on how many employees need to be staffed and avoid paying for expensive new safety measures. Enforcing mask policies can be a difficult and sometimes dangerous job for workers, raising concerns that many employers might want to avoid.”

Business Insider, 8/2/20

Increased traffic at drive-thrus has made wait time more of an issue. In a survey by Bluedot, 81% of people said they become frustrated when having to wait more than 10 minutes for drive-thru service.

Among all quick-service chains, Chick-fil-A's service time was slowest during the pandemic simply because it was the busiest. Seventy-seven percent (77%) of its drive-thru experiences had three or more cars in line, while 36% had six or more cars in line. Even with longer lines, Chick-fil-A garnered high customer satisfaction with its

face-to-face ordering in the drive-thru line. Some Chick-fil-A locations expanded to two or three drive-thru lanes, using cones, canopies, and other pop-up decor. Contactless credit card terminals and handwashing stations were also put in place.

Taco Bell also changed how it managed its drive-thrus. The chain found that customers were buying much larger meals during the pandemic. To accommodate those new ordering habits, the company shifted workers to the vacant dine-in areas, opening up space for staff to assemble larger, more complicated orders in the kitchen.

“While restaurant dining rooms sit empty, many people have started treating drive-thrus like grocery stores, making only occasional trips but placing larger orders.”

The New York Times, 5/1/20

12.3 Drive-Thrus At Fast-Casual Restaurants

Drive-thru service was relatively rare at fast-casual chains prior to the pandemic. The exception was Panera, which had drive-thrus at roughly half its locations at year-end 2019. The shift of restaurant service to primarily carryout during the pandemic spurred most other fast-casual chains to accelerate the opening of drive-thrus.

In August 2020, Shake Shack announced plans to open its first-ever drive-thru in early 2021, with the chain planning for half of the restaurants opening in 2021 to feature drive-up or walk-up windows. Dedicated delivery courier pickup areas and a drive-thru design which features three lanes is planned.

Of the 37 new locations Chipotle stores that opened in 2Q 2020, 21 had Chipotlane mobile order pickup windows. Sales at openings during COVID-19 were 30% above average stores. The chain projects that 60% of its new restaurant growth in 2020 and more than 70% in 2021 will include the feature.

Chipotle reported 60% of orders were placed digitally during the pandemic, with about two-thirds coming from order ahead and pickup. The Chipotlane operations proved to be a higher-margin, more consumer-friendly channel than third-party delivery.

12.4 Innovations In Carryout

QSR Magazine identified the following innovations in carryout during the pandemic:

Carryout Cocktails

- Several states lifted their laws on alcohol delivery, allowing restaurants to serve packaged drinks to go. Restaurants have responded in varied and creative ways with Cocktail Kits, Take Home Margarita Mix, Whiskey Tasters, and Blood Mary Makings.

Creative Coronavirus Specials

- Restaurants are distinguishing carryout by offering specials and promotions tailored to the lockdown, like Quarantine Kits, Lockdown Lunches, Social Distancing Desserts, and Stay Home Hors D'oeuvres.

Food Subscriptions

- While meal kit services have become a fixture over the past few years, the subscription service model is a new innovation. With this business model, customers sign up for a plan and their meals are delivered or picked up at a predetermined time.

Hashtag Campaigns

- National hashtag campaigns help participating restaurants reach new customers via social media. Examples include #TakeoutTuesday, #TakeoutTakeover, #CarryoutWednesday, and #TheGreatAmericanTakeout.

Heat-and-Eat Dishes

- Not all dishes work well for takeout. Some meals can't be easily packaged, and certain foods will lose their heat or texture in transit. Restaurants have adapted by creating heat-and-eat dishes. These dishes can be frozen or refrigerated, prepared en-masse ahead of time, and sold via delivery or carryout.

Meal Kits

- Some restaurants have taken the heat-and-eat option a step further by deconstructing popular dishes, packaging the ingredients with instructions, and delivering them as meal kits.

Unconventional Takeout Foods

- Restaurants are repurposing items that would otherwise spoil – eggs, bulk meats, cheeses, condiments, etc. – into unconventional takeout options, such as charcuterie boards, BYO omelettes, dough, sides a la carte, signature sauces, and more.

Wholesale Ingredients

- To move the surplus food inventory before it spoils, some restaurants have started selling their ingredients in bulk, either to other businesses or directly to the consumers, sometimes right from the store.

Wine Pairings and Subscriptions

- Wine sales increased at the beginning of quarantine. To meet this demand, restaurants have been selling wine by the case, pairing wines with their select dishes, and offering wine subscriptions with monthly or bi-monthly delivery.

DELIVERY

13.1 Market Assessment

According to Second Measure (www.secondmeasure.com), a credit-card data research firm, spending on meal delivery services was up 70% year-over-year in the last week of March 2020. The average order size was up 24% from a year prior.

In an April 2020 survey by The Harris Poll (www.theharrispoll.com), 24% of adults said they had increased use of on-demand food delivery apps. The demographics of those that had done so were as follows:

Gender

- Female: 22%
- Male: 27%

Age

- 18-to-34: 36%
- 35-to-49: 34%
- 50-to-64: 12%
- 65 and older: 11%

Annual Income

- Less than \$50,000: 20%
- \$50,000 to \$75,000: 19%
- More than \$75,000: 29%

Family

- Parent: 27%
- No children: 21%

Region

- Northeast: 28%
- South: 24%
- Midwest: 20%
- West: 25%

All Adults: 25%

13.2 Meal Delivery Services

DoorDash garnered 45% of the market in the week ended March 30, 2020, up from 39% four weeks prior. Grubhub's marketshare dropped to 25% from 30%. UberEats and Postmates had 21% and 8% marketshares, respectively.

“Grubhub, Uber unit Uber Eats, DoorDash, and Postmates are now providing a crucial service for restaurants and diners across the country.”

Barrons, 4/24/20

Uber has transformed from a ride-hail company to a delivery service company during the pandemic. In 2Q 2020, gross delivery bookings rose 113% year-over-year to about \$7 billion; ride bookings fell by 75% to about \$3 billion.

Just Eat Takeaway, a European food delivery service, reached an agreement in June 2020 to buy Grubhub for \$7.3 billion.

In July 2020, Uber reached an agreement to acquire Postmates for approximately \$2.65 billion in an all-stock transaction.

13.3 Delivery Fees

Restaurants typically pay 30% for orders placed with delivery providers, although actual fees are negotiated with each restaurant and can range from 10% to as high as 40%. The restaurant industry has relatively low profit margins and these fees were an issue for restaurants long before the pandemic.

As restaurants sought help to survive the economic impact of COVID-19, lawmakers in several cities implemented temporary limits on how much delivery companies can charge. Jersey City, San Francisco, Seattle, and Washington, DC, were among the first to implement 15% caps on delivery fees through emergency orders last month. In mid-May 2020, New York City implemented a 20% cap – including 15% for delivery fees and 5% for marketing fees – on food delivery fees paid by restaurants to delivery companies.

13.4 Best Practices For Restaurant Delivery

The National Restaurant Association (www.restaurant.org) developed guidelines to assist restaurants in setting up or upgrading delivery, either operated in-house or

through third-party services, during the pandemic. *Best Practices For Restaurant Delivery, Especially During The Pandemic* is available at no cost at www.restaurant.org/articles/news/6-delivery-best-practices-during-coronavirus.

FULL-SERVICE RESTAURANTS

14.1 Overview

Dining rooms at full-service restaurants in most states were mandated to close during the coronavirus shutdown in March 2020.

A few states began allowing full-service dining restaurants to open as stay-at-home mandates were relaxed in May 2020. Openings were generally staged in phases and with restrictions.

Restrictions in most states included cloth face coverings for all workers and patrons while not seated, tables spaced at least six feet apart, reduced occupancy, no bar seating, hand sanitizers at entrances, and single-use menus.

Other restrictions were unique to individual state mandates. For instance, dine-in restaurants in Washington State were required to keep a log of customers and their contact information to allow contact tracing if a case linked to a given restaurant emerged. Kentucky required restaurants to eliminate use of cloth tablecloths and napkins.

“Of restaurant industry segments, the social-distancing requirements to stem the spread of the coronavirus have impacted few as deeply and profoundly as full-service dining.”

Nation’s Restaurant News, 7/13/20

14.2 Market Assessment

According to the U.S. Census Bureau (www.census.gov), monthly sales in 2020 at full-service restaurants were as follows (year-over-year change in parenthesis):

- January: \$25.19 billion (5.3%)
- February: \$25.99 billion (8.8%)
- March: \$16.86 billion (-38.0%)
- April: \$ 4.15 billion (-83.8%)
- May: \$12.41 billion (-5.6%)

Full-service restaurant visits dropped 47% in April, May, and June 2020 compared with the same three month period in 2019, according to data from The NPD Group (www.npd.com).

For comparison, limited-service restaurant sales and traffic data is provided in Chapter 15.

14.3 Emphasis On Cleanliness And Safety

Restaurants are seeking new ways of reassuring customers that dining out is safe in the post-coronavirus era. There were regulations that, in the past, restaurateurs followed discreetly. Now, diners will want the cleanliness protocols, like surface cleaning and an emphasis on a contactless experience, to be entirely visible.

“Diners have always been concerned about safety but now they will want clear indications that the space is germ-free. If they can’t verify it with their own eyes, they’ll be a little hesitant. They want to see the masks and gloves, they want to see the cleaning, they want to see all the stuff that in the past would’ve been invisible.”

Prof. Alex Susskind, Ph.D.
School of Hotel Administration
Cornell University
NBC News, 5/20/20

14.4 Breakfast Chains

Breakfast transactions were down 50% through June 2020, according to The NPD Group, making it the weakest of the three meal occasions.

Reduced demand was a major contributor to the drop, as roughly half of the U.S. workforce worked from home. Breakfast chains like First Watch and Snooze do not have drive-thrus and were not set -up for carryout and delivery. Both chains quickly put in place mobile and online ordering, carryout counters, and third-party delivery services.

“For breakfast chains, innovation over the past few months was not just about leaning into technology to allow for easier off-premise delivery, but also to make an off-premise palatable to its customers, who were used to sipping their brunch drinks and ordering pancakes in person.”

Nation’s Restaurant News, 7/13/20

14.5 Buffet Chains

Perhaps most impacted by the coronavirus was the buffet segment. Guidelines published in July 2020 by the Food and Drug Administration (www.fda.gov) recommended “discontinuing operations such as salad bars, buffets, and beverage service stations that require customers to use common utensils or dispensers.”

“The most recent Food and Drug Administration guidelines put a nail into the coffin [for buffets].”

Nation’s Restaurant News, 7/13/20

In March 2020, Golden Corral, known for its scatter-buffet format, suspended operations of all company-owned units.

In May 2020, the parent company of Sweet Tomatoes and Souplantation buffet brands filed for bankruptcy, permanently closed all locations, and began liquidating assets.

In June 2020, Luby’s Cafeteria announced it was seeking to sell its real estate assets and wind down its operations.

LIMITED-SERVICE RESTAURANTS

15.1 Overview

Limited-service restaurants with drive-thrus were deemed essential businesses and allowed to remain open during the coronavirus shutdown in March 2020. While their dining rooms were closed and counter service was discontinued, they remained open for business.

When stay-at-home mandates were relaxed in May 2020, counter service was generally reinstated, however, most dining rooms remained closed.

“The COVID-19 pandemic has slugged on for six months now. Two truths remain: counter-service brands are in better shape than other sectors; and those with drive thrus are a step further.”

QSR Magazine, 8/20

15.2 Market Assessment

According to the U.S. Census Bureau (www.census.gov), monthly sales in 2020 at limited-service restaurants were as follows (year-over-year change in parenthesis):

- January: \$28.21 billion (8.5%)
- February: \$28.15 billion (9.4%)
- March: \$25.08 billion (-18.0%)
- April: \$20.61 billion (-30.3%)
- May: \$27.38 billion (-12.1%)

Limited-service restaurant visits dropped 17% in April, May, and June 2020 compared with the same three month period in 2019, according to data from The NPD Group (www.npd.com).

For comparison, full-service restaurant sales and traffic data is provided in Chapter 14.

15.3 Quick-Service Restaurants

Providing meals for off-premise consumption via drive-thrus and delivery service has been on the rise for several years. These trends were accelerated by the pandemic.

“Fast-food restaurants are responding to changing consumer tastes during the coronavirus pandemic in ways that have boosted profits at some chains to where they were before the health crisis or even higher. Some restaurants are focusing on expanding their takeout and drive-through businesses, while others are betting on delivery services. Many expect these efforts to pay off longer term as some consumer habits could change permanently.”

The Wall Street Journal, 7/29/20

Many fast-food chains brought down staffing levels and cleaning costs by closing their dining rooms. Many did not reopen them even as restrictions were lifted because of the increased costs and drag on profitability.

The following are changes that some quick-service chains implemented during the pandemic:

- In May 2020, Potbelly Sandwich Shop launched family meal deals for lunch and dinner, bundles of sandwiches, chips, and cookies that service four or six people. Potbelly Pantry, a space within the sandwich shop, began selling the ingredients needed for customers to make the chain’s signature sandwiches and bake its oversized cookies at home.
- In June 2020, Panda Express launched its own delivery service. As of August 1, 2020, the company had invested \$40 million since the beginning of the pandemic in improving health and safety measures of its delivery platform. The company anticipates hiring 30,000 new employees in 2020.

- In August 2020, Taco Bell launched a new concept called Taco Bell Go Mobile, with limited indoor seating and two drive-thru lanes to speed up the ordering and take-out process. Customers can order through the Taco Bell app or via tablet accessible drive-thrus. Alternatively, Taco Bell Go Mobile customers have the option to get their food via contactless curbside pickup.
- Habit Burger Grill, Panera Bread, Pizza Hut, Shake Shack, Starbucks, and Taco Bell were among the chains offering contactless ordering during the pandemic.

“Market research shows that brands offering drive-thru and contactless pickup have an advantage as stay-at-home orders are lifted across the country.”

Nation’s Restaurant News, 5/11/20

15.4 Fast-Casual Restaurants

As of July 31, 2020, sales at fast-casual restaurants were down 12%, according Technomic (www.technomic.com). While that was far better than full-service restaurants, which were down 37%, it trailed fast-food restaurants, which were down 6%.

Location was a primary reason for sales declines among fast-casual chains. While most fast-food restaurants have drive-thrus and many are located in suburbs, fast-casual restaurants tend to offer only counter service and customers are primarily workers in urban areas. Many fast casuals never offered dinner. While prime real estate helped make the segment an industry bright spot in recent years in unit growth and sales, it failed when many workers across the country were forced to work from home.

“There are a number of fast casuals that are very urban-centric, particularly bakery-cafes or better-for-you concepts that are focused on urban markets. What happens to a fast-casual chain that sprang up to serve lunch to downtown office workers when those cubicle dwellers are now Zooming from home? We’ve been hearing from operators that they’re looking to take a look at what site models might be for suburban locations.”

Melissa Wilson, Principal
Technomic
Restaurant Business, 8/7/20

The extent that companies may continue to let people work from home after the pandemic ends is an issue that has widespread implications for restaurant real estate as well as for the future of fast-casual concepts post-pandemic.

15.5 Expanding Amid The Pandemic

While most restaurant chains were in a survival mode during the pandemic, a few saw the crisis as an opportunity for expansion. The following are some examples:

- Paris Baguette, a 85-unit bakery-cafe concept with a strong grab-and-go business, launched an initiative in April 2020 through LinkedIn to generate franchise interest, responding to stories posted on the networking site. The chain’s message was that potential franchisees needed to maintain their entrepreneurial spirit but not become overly risk-adverse. Paris Baguette also continued to work on several franchise prospects already in the pipeline. The chain opened two stores in Portland, Oregon, as soon restrictions started to ease and signed franchise deals for multiple units in Austin, Texas.
- Roy Rogers launched an ambitious expansion program in January 2020 with a focus on franchising. The 49-unit limited-service chain refreshed its store design, introduced digital menu boards and new artwork, strengthened its core menu, and enhanced operational efficiencies. Although there was a brief pause in development, the new prototype opened in July 2020 at two travel plazas along the Pennsylvania Turnpike, replacing restaurant tenants that closed up during the

pandemic. The chain continues to expand with a focus on drive-thru-centric design. Previously, Roy Rogers focused development in the Northeast and Mid-Atlantic states.

- Wingstop, a 1,436-unit chain, added 23 net new units during Q2 2020; systemwide sales increased 37% year-over-year. The company plans to open 120 to 130 new locations by year-end 2020.

COLLEGE CAMPUS FOODSERVICE

16.1 Overview

The 2020-2021 academic year opened with food service at college dining halls slower and dining capacity reduced because of social distancing. Self-serve stations, where students can make their own salads or taco bowls, disappeared; instead, masked-and-gloved workers, shielded by plexiglass barriers, serve nearly everything. Gone, too, are condiment and coffee stations, replaced by single-serving ketchup, salad-dressing packets, and disposable paper cups that many schools had previously been trying to phase out in an effort to reduce waste. College dining halls that let students come back for seconds or thirds of any food at any meal shifted to pre-packaged takeout. Outdoor dining spaces opened on many campuses.

“It is still unclear how many students will return to college campuses this fall, but for those who do, mealtime will change dramatically. Because of the coronavirus, nothing about this year is going to be normal.”

The New York Times, 7/13/20

16.2 Foodservice During The Pandemic

Foodservice at campus cafeterias was slowed by constraints imposed by pandemic safety guidelines. The following are examples of innovations in dining at several colleges that were implemented to accommodate the constraints:

- At St. Norbert College, seating in the main dining hall has been halved, from 600 to 300 people. At the University of North Dakota, one dining facility went from 500 to 100 seats. And at the University of Wisconsin in Madison, The Terrace, an outdoor restaurant on campus, operated at 25% capacity. These three campuses, among others, extended dining hours and partnered with OpenTable so that students could

reserve tables. OpenTable was also used to manage pickup times for takeout orders.

- The University of Massachusetts Amherst opened a tent which served as a new dining hall. Two food trucks and a mobile kitchen, already in operation, remained open. While menus were modified, dining halls and food courts continued to offer dishes for students on special diets.
- Furman University added two grab-and-go meal stations to compensate for the lower throughput necessitated by pandemic restrictions. Also, a pop-up restaurant serving street food from around the world opened outside the main library. Picnic tables were installed to allow additional outdoor dining space. Insulated, reusable grocery bags were provided so students could carry out multiple to-go meals.
- The Boston College Dining Services (BCDS) program, which *The Daily Meal* ranks in the Top 10 among approximately 2,000 four-year colleges in the U.S., normally serves about 22,000 meals per day at 11 cafeterias. Eight eateries were closed indefinitely for the fall semester. All self-service areas, including pizza and sushi stations, were shut down. Menus were cut back to provide three hot entrees per day along with a dozen grab-and-go items, such as grain bowls, wraps, and sandwiches. Mobile ordering, which BCDS has successfully offered for a couple years, was expanded to fulfill demand. Sustainability remains a priority. While there is an additional need for disposable materials, those used are compostable and recyclable.

16.3 Robotic Food Delivery

George Mason University launched the first robotic meal delivery on a U.S. college campus in 2019. With a fleet of 25 mini robots provided by Starship Technologies (www.starship.xyz), deliveries at the 800-acre campus were part of the meal plan service managed by Sodexo. Blaze Pizza, Dunkin', and Starbucks participated in the program. More than 25,000 orders were filled via robot delivery during the 2019-2020 academic year.

Robotic food delivery went from being a novelty to a necessity as George Mason University's 36,000 students returned to campus in late August 2020 amid the pandemic. Foodservice launched for the 2020-2021 academic year with a fleet of 43 robots. While deliveries previously were primarily snacks, deliveries in fall 2020 were aimed at providing complete meals. Students ordered food items via an app, kitchen staff loaded orders into the robot, then the robot made delivery at the appointed location, such as a dorm or a bench near the library.

“The number [of 43 robots] will grow as the robots eliminate the need for students to enter a busy food court. Robots are definitely part of our safe reopening plan.”

Jeff McKinley, District Manager
Sodexo
The New York Times, 7/13/20

16.4 Release Of Liability

As they returned to campus during the COVID-19 pandemic, students at many universities were required to acknowledge that they would comply with university guidelines and policies, such as wearing facial coverings and maintaining social distancing, which were put in place to help prevent the spread of the coronavirus.

Many universities also required students to sign a Release of Liability, acknowledging that they understood the risks associated with dining services and knowingly agreed to accept those risks.

An example Release of Liability, from the University of Cincinnati, is available online at www.uc.edu/campus-life/food/fall-2020-dining/dining-release-of-liability.html.

ALCOHOLIC BEVERAGE SERVICE

17.1 Overview

There are approximately 400,000 on-premise licensed locations serving alcoholic beverages in the U.S.

According to Technomic (www.technomic.com), spending on alcoholic beverages as a percentage of guest total at casual-dining chain restaurants ranges between 14% and 25%.

On-premise alcoholic beverage sales dropped in March 2020 as full-service restaurants closed as mandated by shelter-in-place orders. These sales were balanced by increased retail sales of alcoholic beverages as people ate and drank at home.

As states began allowing dine-in restaurants to reopen in April 2020, on-premise alcoholic beverage sales resumed. But most states continued to ban the opening of bars, where social distancing is not practical.

“As they emerged as hot spots for transmission, bars have been among the hardest hit, with few signs that they'll be able to recover anytime soon.”

The New York Times, 8/18/20

17.2 Drinking Behaviors During Shutdown

An April 2020 survey by The Harris Poll (www.theharrispoll.com) asked adults about how their drinking behaviors changed during the coronavirus-related shutdown.

By demographic, adults consumed alcoholic beverages during the coronavirus-related shutdown as follows:

Gender	More	Same	Less
• Female:	16%	34%	13%
• Male:	24%	34%	20%

Age

• 18-to-34:	30%	23%	25%
• 35-to-49:	27%	29%	20%
• 50-to-64:	13%	41%	12%
• 65 and older:	9%	42%	8%

Annual Income

• Less than \$50,000:	15%	29%	15%
• \$50,000 to \$75,000:	19%	31%	12%
• More than \$75,000:	24%	37%	19%

Family

• Parent:	21%	34%	17%
• No children:	19%	33%	16%

Region

• Northeast:	19%	32%	23%
• South:	19%	34%	15%
• Midwest:	22%	35%	13%
• West:	20%	34%	18%

All Adults:	20%	34%	16%
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17.3 Consumption

According to a study by RTI International (www.rti.org), the daily alcohol intake among adults increased from 0.74 drinks in February 2020 to 0.94 in April 2020. The highest increases were among parents, women, and the unemployed. About 35% of adults reported excessive drinking in April, compared to 29% in February, and 27% reported binge drinking.

Unemployed people drank twice as much as people with jobs in March 2020 and April 2020. About 30% of respondents said they drank seven more days per month than they did before the COVID-19 pandemic.

Adults who lived in the West drank 0.35 more drinks in April 2020 than in February 2020, the highest increase of any region. Adults in the South reported consuming 0.16 more drinks than usual during this period.

RTI surmised that people drank more in April 2020 than February 2020 because they had more leisure time as well as being stressed about the coronavirus pandemic. Lax alcohol policies also made it easier for people to buy alcohol.

“After the enactment of stay-at-home orders in many states and the relaxation of several state alcohol regulations, alcohol consumption, including drinking above the recommended guidelines and binge drinking, increased. After the terrorist attacks on September 11 and also Hurricane Katrina, there were also sustained increases in alcohol assumption. The weeks of isolation imposed by stay-at-home policies and the scale of the current pandemic are unmatched by these recent disasters.”

Carolina Barbosa, Ph.D., Health Economist
RTI International
The Raleigh News & Observer, 7/20/20

Around 10% of respondents in the RTI survey reported that they don't drink alcoholic beverages at all.

17.4 Retail Sales

According to Nielsen (www.nielsen.com), retail sales of alcoholic beverages rose 55% in the week ending March 21, 2020, at the onset of the pandemic. Sales of spirits and pre-mixed cocktails increased 75%, wine sales were up 66%, and beer sales rose 42%. The increase was attributed primarily to consumers loading up their pantries before state stay-at-home orders went into effect.

Nationwide, retail alcohol sales climbed 26% for the four-month period between March and June 2020 compared to the same months in 2019, according to Nielsen.

Online sales were up 243% during the week ending March 21, 2020, and continued to increase during the early months of the pandemic. Drizly, an alcohol delivery app, reported sales surged 485% through mid-April 2020. Earnest Research (www.earnestresearch.com), which tracks credit and debit card purchases, reported sales at Drizly and Minibar increased more than 500% in July 2020 compared with one year prior.

17.5 To-Go Cocktails

Casual dining restaurants typically make about 30% of revenue from alcohol sales, and for bars, it's obviously much higher. With bar service curtailed during the pandemic, many governors signed executive orders temporarily allowing restaurants, bars, and other establishments with alcohol permits to extend their alcohol offerings off premise.

“Is it beneficial? Absolutely. If restaurants in a hurting time like this could increase their to go sales by 10%, 15%, or 20%, that’s hugely important right now.”

KATU2-TV, 8/3/20

As of September 1, 2020, 33 states and the District of Columbia allow restaurants and bars to sell cocktails to-go, bottled spirits to-go, or both, according to the Distilled Spirits Council (www.distilledspriits.org). Eighteen (18) states and the District of Columbia allow restaurants and bars to deliver distilled spirits in some form. In addition, 12 states plus the District of Columbia permit curbside pickup of distilled spirits from restaurants and bars.

In July 2020, Iowa became the first state to permanently allow takeout and delivery of cocktails by restaurants. Michigan’s new law is in effect until the end of 2025.

Nation’s Restaurant News called the rules allowing restaurant to-go cocktails “the most widespread changes in state alcohol beverage laws since Prohibition was repealed in 1933.”

OUTDOOR DINING

18.1 Health Considerations

Outdoor dining, such as within restaurant patios or streetside, has become especially popular during the pandemic. The increased air volume when dining outside makes it more difficult for viruses to spread than within closed spaces.

Considerations for Restaurants and Bars, by the Centers for Disease Control and Prevention (www.cdc.gov), advises that on-site dining limited to outdoor seating presents a lower risk of COVID-19 spread than dining with both indoor and outdoor seating. As with indoor seating, seating capacity outdoors must be reduced to allow tables to be spaced at least 6' apart and other health guidelines must be observed. Still, CDC points out that drive-through, delivery, take-out, and curbside pickup present the lowest risk.

In a June 2020 survey by Slate (www.slate.com), 36% of adults said they would eat at a restaurant outdoors; 15% said they would eat at a restaurant indoors with reduced seating.

OpenTable (www.opentable.com) reported a tenfold increase in outdoor restaurant seating across the U.S. in May 2020 compared with one year prior.

18.2 Streetside Dining

Local governments across the U.S. have revised rules about how restaurants can operate in light of the hardships brought about by quarantine shutdowns. Many cities have allowed restaurants to set up tables in parking lots, on sidewalks, or in fenced-in areas directly on streets. Cincinnati and a few other cities closed some streets to allow restaurants to expand their outdoor dining spaces.

The New York Times reported on August 24, 2020 that nearly 10,000 restaurants have set up outdoor seating in New York City since July, even as the ban on indoor service continued. The city's Open Streets plan closed 67 miles of streets to vehicular traffic, including 2.6 miles dedicated to Open Restaurants, an initiative that gives restaurant owners permission to expand their footprint onto the sidewalks and streets on the weekends provided they meet certain criteria.

“As the U.S. reopens and summer approaches, cities from Tampa, Florida, to Las Vegas to Portland, Maine, are opening sidewalks and closing streets to create large al fresco or plein air dining rooms. They hope this nod to the bustling cafe culture of Paris and Rome will help Americans feel comfortable eating out again and help restaurants begin to recover from staggering losses.”

USA Today, 5/21/20

18.3 Traffic Safety Issues

The Storefront Safety Council (www.storefrontsafety.org) reported 20 instances of cars or trucks running into outdoor dining areas since restaurants reopened after COVID-19-related shutdowns. For comparison, there were about four such incidents per year since 2012.

Several cities have taken measure to help protect outdoor dining areas. The city of Los Angeles' Department of Transportation is supplying large planters paired with freestanding metal railings that look like bicycle racks to restaurants under a program called L.A. Al Fresco. Restaurants along Main Street in Santa Monica have concrete sections around street dining; those in Culver City and Long Beach are protected by water-filled barricades.

RESTAURANTS OF THE FUTURE

19.1 Overview

The COVID-19 outbreak accelerated many trends that were already in place in the consumer marketplace. Off-premise dining and the delivery of restaurant meals, for instance, were on the rise; the demand was amplified by the pandemic. Emerging trends such as the implementation of contactless/touchless technologies were also amplified.

The pandemic also brought out creativity and ingenuity as businesses in all sectors fought for survival during mandated shutdowns. Many of the innovative ideas spawned during the pandemic are likely to remain in place as people transition to “the new normal.”

“Across the country, restaurateurs have gotten creative. Some have converted overnight into green markets or grocery stores. Some offer bottled mixed cocktails, or the contents of their pantries and wine cellars, or they host cocktail courses and wine-tasting classes on Zoom. Some are pivoting permanently, redesigning their interiors and menus to better fit into a future of fast-casual, carry-away fare. Some have partnered with local nonprofits to feed first responders. Flexibility is the order of the day.”

The New Yorker, 6/28/20

19.2 Restaurant Design

Many of the measures taken by restaurants to slow the spread of COVID-19 and

comply with pandemic mandates will serve to guide future restaurant design. Even after things return to a 'new normal,' people will long remember the experience of the pandemic and will have heightened expectations regarding the places where they dine.

The following are some design considerations for restaurants of the future (sources: Gensler, MatchLine Design Group, RODE Architects):

- COVID-19 will put an end to crammed up dining rooms; the separation of patrons will be a general design guideline. Tables will be spaced farther apart and more booths will be incorporated in dining rooms. Seat count may be reduced in bars and dining rooms to accommodate physical distancing guidelines. Larger dining spaces and flexible table layouts may be necessary to accommodate the desired number of people. Fine dining may be reinvented, becoming even more expensive and exclusive for customers who will pay a premium for the luxury of fewer tables spaced farther apart.
- Providing no-touch solutions will be essential for the restaurant of the future. Designers will incorporate touchless technologies in menu ordering systems, fountain beverages, condiment service, faucets, soap and sanitizer dispensers, door handles, trash receptacles, and more.
- Visual cues conveying that cleanliness is a top priority will be critical to establish trust with consumers. Surfaces that are easy to clean and sanitizing wipe stations for customer use will become the norm.
- Before COVID-19, there was a significant paradigm shift towards communal dining experiences such as communal table seating and food halls. An obvious shift in dining design will be the reduction of these seating types.
- Outdoor seating will be an important element to incorporate in all restaurant designs. People have long enjoyed patio and outdoor dining and this preference has been strengthened by the pandemic.

19.3 Ghost Kitchens

Ghost kitchens (also known as dark kitchens and virtual kitchens) offer delivery-only service out of commissary-style facilities, which are often located outside of high-rent commercial districts. The concept trims the costs of real estate, labor, and menu innovation by condensing the restaurant model to accommodate off-premise food sales without a traditional dine-in space. Instead of seating guests indoors, deliveries made by the restaurant or by a third-party service are the mainstay.

These facilities found their niche as shelter-in-place orders forced operators nationwide to close their dining areas, but ghost kitchens are far more than a passing trend. The boom in ghost kitchens catalyzed by the coronavirus will likely outlast the pandemic itself.

Foodservice IP (www.foodserviceip.com) projects that ghost kitchen restaurant sales will increase 42% in 2020, with unit growth of 18%.

“A business model that seemed marginal before the coronavirus pandemic now looks like the future of restaurants.”

The New Yorker, 6/28/20

The following are examples of some ghost kitchen operations:

- CloudKitchens (www.cloudkitchens.com), based in Los Angeles, buys real estate, brings in kitchen facilities, and leases them to chefs and small-business owners, most of whom do not have other brick-and-mortar spaces. CloudKitchens operates in 27 locations, occupying 11,000 sq. ft., and has 115 restaurant brandnames on delivery platforms.
- Kitchen United (www.kitchenunited.com) provides professional kitchen space to restaurants for the preparation of delivery-only meals. This allows restaurants to expand their food delivery business without adding extra staff or space. The company operates 10 kitchen centers in Austin, Chicago, Pasadena, and Scottsdale.
- REEF Technology (www.reeftechnology.com) operates 4,500 neighborhood kitchens throughout the United States, Canada, and Europe. The ‘kitchens’ are actually pop-up facilities – food trucks or trailers – that provide carryout meals prepared at a nearby commissary kitchen. The pop-up service locations are typically commercial parking lots that are unused during the evening hours. American Eclectic Burger, Burger Bytes, Fork and Ladle, Umami, Wings & Things, and WokTalk are a few of the concepts at REEF.
- The Local Culinary (www.thelocalculinary.com) launched a ghost kitchen franchise model. The business model offers 50 unique delivery-only brands for independent restaurant owners seeking a new way to maintain their businesses. Concepts include, among others: The Chef Burger, Mama Roma, El Taco Loco, The Green Kitchen, Dirty Fingers, Shu Shu, Yoko Bowl, Hot Potato, Chicks, This is Gyros, and Hot Dog Station.
- Zuul Kitchens (www.zuulkitchens.com) partners with restaurants to expand their carryout and delivery options. Existing kitchens double as virtual kitchens for additional brands and menus. Restaurant partners maintain their regular operations, chefs and back-end staff manage kitchen activities, and Zuul handles ordering and dispatch.

19.4 Technology

The use of digital and contactless technologies has been increasing at restaurants for several years. Not only are they popular among tech savvy customers, these systems typically enhance restaurant productivity. A pre-pandemic survey by Cambridge Retail Advisors (CRA; www.cambridgeretailadvisors.com) found that 32% of adults consider the availability of contactless/mobile payment and similar technologies important to enhance their dining experience.

“Throughout all facets of the dining experience, technology is poised to have the biggest effect during the COVID-19 pandemic.”

CNN Wire, 5/14/20

To minimize the transmission of COVID-19, many state and local guidelines required single-use or digital menus. Most popular among digital formats are QR Code menus, which let guests scan and view menus on their mobile devices.

Some contactless menus accommodate ordering. These systems let diners place orders for pickup or dine-in, pay, and track order status securely from their phones, reducing the need for interaction with the restaurant staff.

Contactless payment systems use smartphones, smart cards, or other devices that use radio-frequency identification (RFID) or near field communication (NFC; e.g. Samsung Pay, Apple Pay, Google Pay, Fitbit Pay, or any bank mobile application that supports contactless) for making secure payments. The embedded integrated circuit chip and antenna enable consumers to wave their card or handheld device over a reader at the point of sale terminal. The pre-pandemic survey by CRA found that 33% of restaurant operators were using contactless payment systems.

Restaurants use secondary scanning devices to supplement touchless payment systems when customers want to use buying incentives such as coupons and gift cards. With this technology, the customer can simply hold out their personal smart devices displaying barcodes/digital coupons and the restaurant or drive-thru cashier can read the presented information without touching.

A no-touch paradigm has been incorporated in self-service beverage dispensers. Soft-drink manufacturers have enabled QR-based technology on their dispensers to allow customers to order drinks by holding their smartphone camera to the dispenser’s display to scan the QR code. Once scanned, it replicates the dispenser’s user interface on their screen.

19.5 Meal Kits And Grocery Items

Restaurants and grocery stores have come into competition with each other in recent years and the line between the food segments is growing murkier. *Nation's Restaurant News* has suggested that within the next 50 years – maybe sooner – there will be no difference between supermarkets and restaurants.

Prepared foods and frozen entrees comprise a sector dubbed 'home meal replacements' (HMR), a \$50 billion market according to Technomic (www.technomic.com), that is growing at more than 10% per year. For comparison, overall restaurant traffic is increasing at about 4% per year. HMRs put supermarkets, groceries, and convenience stores in direct competition with restaurants for the consumer food dollar.

Restaurants have entered the HMR market by licensing their food and beverage products for grocery sales. Boston Market, California Pizza Kitchen, Dunkin' Donuts, Jamba Juice, Nathan's Famous, Olive Garden, P.F. Chang's China Bistro, Starbucks, Whataburger, and White Castle are among the restaurant brands that have entered this market. According to *The Licensing Letter*, annual retail sales of licensed restaurant-branded merchandise are approximately \$5 million.

Some farm-to-table restaurants, particularly those located on farms, have long sold specialty food items. Belcampo, with six locations in California, combines its restaurants and butcher shops and sells meat products from its own farms. Handcrafted Hospitalities, which operates six sandwich and taco restaurant concepts in South Florida, sells meat and cheese by the pound along with items such as tomatoes, avocados, and hot sauce.

Meal kits – packages containing food ingredients and recipes for consumers to prepare themselves – also compete with restaurants for the consumer food dollar. Packaged Facts (www.packagedfacts.com) estimates annual sales of meal kits at \$4 billion. Restaurants have long been seen as likely to get into the meal kit market, but few actually did so prior to the pandemic.

In March 2020, when restrictions to prevent spread of the coronavirus forced restaurants across the country to shutter, several independent and chain restaurants pivoted to selling meal kits and groceries to keep afloat.

“Grocery sales have been one of the main food innovations that restaurants turned to in the face of sudden declines in traffic and the closure of their dining rooms.”

Nation's Restaurant News, 5/11/20

The following are examples of restaurant food markets and meal kit services that recently launched:

- Blaze Pizza sold DIY Pizza Kits that provided all the necessary ingredients – fresh dough, cheese, sauce, and toppings – to bake a pizza at home.
- Dog Haus, a Los Angeles-based gourmet hot dog chain with about 45 units, offered grocery-like services at some locations, which became Dog Haus Markets. Items sold at the restaurant-turned-market included hot dogs, burgers, sausages, buns, and tater tots.
- Founding Farmers, a restaurant in Washington, DC, morphed into Farmers Market + Grocery, a bodega concept selling meal kits prepared by the restaurant staff, packaged chicken salad, eggs, fresh produce, wine, beer (in growlers), and other essentials. The restaurant's bakery remained open to produce bread as well.
- Olmsted's, a Brooklyn restaurant, opened Olmsted Trading Post in June 2020, selling farmers market veggies, homemade ice cream, baked goods, jams, and specialty items like duck pastrami and yuzu kosho butter.
- Provenance Restaurant, in Newport Beach, transformed into a meal kit service when California banned dine-in service. The service offered complete take-and-bake meals serving six to nine people and meal kits in individual portions with a minimum order of four. The meal kits used the same high-quality ingredients typically used at Provenance Restaurant, including Kobe beef.
- Subway opened Subway Grocery at more than 1,500 of its restaurants, selling ingredients that let people make their sandwiches at home.

These restaurant transformations, launched out of necessity during the pandemic, could be a preview of restaurants of the future.

“Off-premises opportunities will drive restaurant industry growth. The increasing demand for off-premises meals is transforming the restaurant industry and operators will need to find ways to tap into this new revenue channel. The definition of ‘restaurant’ will change. Some restaurants will morph into a hybrid model, offering counter service, full service, takeout and delivery, grocery items, and meal kits.”

Restaurant Industry 2030
National Restaurant Association, 11/19

PART III: PREFERENCES DURING THE PANDEMIC

CASUAL DINING CARRYOUT

20.1 Highest-Rated By State

Based on Yelp (www.yelp.com) reviews as of June 2020, the highest-rated casual dining restaurants offering carryout in each state are as follows:

- Alabama: Falafel Cafe (Birmingham)
- Alaska: The Schnitzel Bomber (Soldotna)
- Arizona: The Bread and Honey House (Phoenix)
- Arkansas: Wright's Barbecue (Johnson)
- California: Soichi Sushi (San Diego)
- Colorado: Taqueria La Familia (Denver)
- Connecticut: Zeneli Pizzeria & Cucina Napoletana (New Haven)
- Delaware: Scalessa's (Wilmington)
- District of Columbia: Farmbird (Washington)
- Florida: Yardie Spice (Homestead)
- Georgia: Tacos Del Chavo (Kennesaw)
- Hawaii: Waffle and Berry (Honolulu)
- Idaho: Arugula Deli (Idaho Falls)
- Illinois: Bistro 6050 (Chicago)
- Indiana: Yannis Golden Gyros (Indianapolis)
- Iowa: Rodina (Cedar Rapids)
- Kansas: Joe's Kansas City Bar-B-Que (Kansas City)
- Kentucky: La Torta Loca (Florence)
- Louisiana: Heard Dat Kitchen (New Orleans)
- Maine: Crunchy Poke (Portland)
- Maryland: Angeli's Pizzeria (Baltimore)
- Massachusetts: Yume Ga Arukara (Cambridge)
- Michigan: Oaks Eatery (Three Oaks)
- Minnesota: Cahill Bistro (Edina)
- Mississippi: The Grind Coffee and Nosh (Biloxi)
- Missouri: Balkan Treat Box (Webster Groves)
- Montana: Jam! (Bozeman)
- Nebraska: Smokin Barrel Bbq (Omaha)
- Nevada: Citrus Grill & Hookah (Las Vegas)
- New Hampshire: Green Elephant (Portsmouth)
- New Jersey: Bombay River (Red Bank)
- New Mexico: Dia De Los Takos (Albuquerque)

- New York: Anytime (New York City)
- North Carolina: Pharaohs Village (Fayetteville)
- North Dakota: India Palace Restaurant (Fargo)
- Ohio: Scotty's Cafe (Columbus)
- Oklahoma: Four J's Diner Laotian & Thai Cuisine (Oklahoma City)
- Oregon: Mumbo Gumbo PDX (Portland)
- Pennsylvania: The Vegan Butcher (Allentown)
- Rhode Island: Hometown Cafe & Poke Bar (Providence)
- South Carolina: Lewis Barbecue (Charleston)
- South Dakota: Black Hills Burger and Bun Co. (Custer)
- Tennessee: Delauder's BBQ (Gatlinburg)
- Texas: The Gypsy Poet (Houston)
- Utah: Main Street Cafe (Hurricane)
- Vermont: Stowe Bee Bakery & Cafe (Stowe)
- Virginia: Idido Coffee and Social House (Arlington)
- Washington: Taste of Thai by Wipa (Burlington)
- West Virginia: Kelley Farm Kitchen (Harpers Ferry)
- Wisconsin: Spicy Tuna (West Milwaukee)
- Wyoming: Persephone Bakery (Jackson)

DELIVERY MENU ITEMS

21.1 Overview

Uber Eats (www.ubereats.com) reported the most popular menu items ordered for delivery from March 16 through April 1, 2020, during the onset of the pandemic.

The most popular foods ordered through its app were as follows:

1. French fries
2. Pad Thai
3. Garlic naan
4. Chicken tikka masala
5. Miso soup

The following were the most popular desserts:

1. Tiramisu
2. Baklava
3. Cheesecake
4. Banana pudding
5. Churros

21.2 Most Popular By State

The most popular menu items ordered for delivery during the last two weeks of March 2020 using the Uber Eats app were as follows:

- Arizona: French fries
- California: Chicken tikka masala
- Colorado: Carne asada fries
- Connecticut: Burrito bowl
- Florida: French fries
- Georgia: Pad Thai
- Hawaii: BBQ mixed plate
- Illinois: French fries
- Indiana: Waffle fries
- Iowa: Large poke bowl
- Kentucky: Pad Thai
- Louisiana: Chips and queso
- Maine: Cheese pazzo bread
- Maryland: Egg, bacon + cheese

- Massachusetts: Burrito
- Michigan: Pad Thai
- Minnesota: Garlic naan
- Missouri: Crab rangoon
- Montana: Enchiladas
- Nevada: Chicken teriyaki bowl
- New Jersey: Chicken sandwich
- New York: Jerk chicken
- North Carolina: Nachos
- Ohio: Notso fries
- Oklahoma: Spicy tuna roll
- Oregon: Fried chicken
- Pennsylvania: Cheesesteak
- Rhode Island: Hot dog
- South Carolina: French fries
- Tennessee: Pad Thai
- Texas: Pad Thai
- Utah: Carne asada fries
- Virginia: Fries
- Washington: Fries
- Wisconsin: Crab rangoon

OUTDOOR DINING

22.1 Best Patio Dining

Gayot (www.gayot.com) recognized the best restaurants for patio dining in the U.S. as follows:

- Beach House Restaurant (Koloa, HI)
- Broussard's (New Orleans, LA)
- Grand Banks (New York, NY)
- The Grove (Houston, TX)
- La Mar by Gaston Acurio (Miami, FL)
- Malibu Farm Restaurant & Bar (Malibu, CA)
- Picasso (Las Vegas, NV)
- Pier 6 (Boston, MA)
- River Roast (Chicago, IL)
- Talavera (Scottsdale, AZ)

22.2 The 100 Best Restaurants For Outdoor Dining

OpenTable (www.opentable.com) recognized the following as the 100 Best Restaurants for Outdoor Dining in the U.S.:

- Amara at Paraiso (Miami, FL)
- Avra Beverly Hills (Beverly Hills, CA)
- Beach House Restaurant (Koloa, HI)
- Beachcomber Cafe, Crystal Cove (Newport Coast, CA)
- Bistro Don Giovanni (Napa, CA)
- Bistro Jeanty (Yountville, CA)
- Blue Moon Fish Co. (Fort Lauderdale, FL)
- Boat House Waterfront Dining (Tiverton, RI)
- Boatyard (Fort Lauderdale, FL)
- Bon Appetit (Dunedin, FL)
- Brennan's (New Orleans, LA)
- Cafe Monarch (Scottsdale, AZ)
- Campfire (Carlsbad, CA)
- Campiello, Naples (Naples, FL)
- Carmelo's Italian Ristorante (Punta Gorda, FL)
- Carrol's Creek Cafe (Annapolis, MD)
- Catch LA (West Hollywood, CA)

- Cecconi's Dumbo (Brooklyn, NY)
- Chicago Cut Steakhouse (Chicago, IL)
- Coasterra (San Diego, CA)
- Columbia Restaurant (Tampa, FL)
- Continental Naples (Naples, FL)
- Copley's on Palm Canyon (Palm Springs, CA)
- Dry Dock Waterfront Grill (Longboat Key, FL)
- Duke's Beach House Maui (Lahaina, HI)
- Duke's La Jolla (San Diego, CA)
- El Chorro (Paradise Valley, AZ)
- El Five (Denver, CO)
- Farm & Table (Albuquerque, NM)
- Farmer's Table (Boca Raton, FL)
- Farmers Fishers Bakers (Washington, DC)
- Farmhouse at Rogers Gardens (Corona Del Mar, CA)
- Fleet Landing Restaurant & Bar (Charleston, SC)
- Fleetwood's On Front St. (Lahaina, HI)
- Foreign Cinema (San Francisco, CA)
- Geoffrey's Restaurant (Malibu, CA)
- HEXX kitchen + bar (Las Vegas, NV)
- House Without a Key (Honolulu, HI)
- Hula Grill (Kaanapali (Lahaina, HI)
- Jake's (Palm Springs, CA)
- JB's On The Beach (Deerfield Beach, FL)
- Keoki's Paradise (Koloa, HI)
- Kimo's Restaurant Maui (Lahaina, HI)
- Kyle G's Prime Seafood (Jensen Beach, FL)
- L'Albatros (Cleveland, OH)
- La Mar by Gaston Acurio (Miami, FL)
- La Quinta Cliffhouse (La Quinta, CA)
- Latitudes on Sunset Key (Key West, FL)
- Lavender Bistro (La Quinta, CA)
- Le Diplomate (Washington, DC)
- Le Vallauris (Palm Springs, CA)
- Legal Harborside (Boston, MA)
- Lindey's (Columbus, OH)
- Lon's at The Hermosa (Paradise Valley, AZ)
- Louie Bossi Ristorante (Fort Lauderdale, FL)
- Mama's Fish House (Paia, HI)
- Mariposa (Sedona, AZ)
- Mediterraneo (Naples, FL)
- MiraMare (Naples, FL)
- Mon Ami Gabi (Las Vegas, NV)
- Monkeypod Kitchen (Wailea, HI)

- Ocean Terrace (George's at the Cove (San Diego, CA)
- Ocean Prime (Tampa, FL)
- Olive & Ivy Restaurant & Marketplace (Scottsdale, AZ)
- Ophelia's on the Bay (Sarasota, FL)
- Pacific Coast Grill (Cardiff-By-The-Sea, CA)
- Pacifica Seafood Restaurant (Palm Desert, CA)
- Parc (Philadelphia, PA)
- Patina (Los Angeles, CA)
- Perch LA (Los Angeles, CA)
- Piatti (La Jolla, CA)
- Poseidon (Del Mar, CA)
- Preserved Restaurant (St. Augustine, FL)
- Prime: An American Kitchen & Bar (Huntington, NY)
- Rats Restaurant - Grounds for Sculpture (Hamilton, NJ)
- Salt Rock Grill (Indian Shores, FL)
- Sam's Chowder House (Half Moon Bay, CA)
- Shooters Waterfront (Fort Lauderdale, FL)
- Smith & Wollensky Steakhouse (Miami Beach, FL)
- Spencer's Restaurant (Palm Springs, CA)
- Sunset Terrace - Omni Grove Park Inn (Asheville, NC)
- Talula's Garden (Philadelphia, PA)
- Tavern on the Green (New York, NY)
- The Boathouse (Lake Buena Vista, FL)
- The Front Yard (North Hollywood, CA)
- the girl & the fig (Sonoma, CA)
- The Grand Marlin of Pensacola Beach (Pensacola, FL)
- The Ivy (West Hollywood, CA)
- The Keg Steakhouse + Bar (Gilbert, AZ)
- The Mill House (Waikapu, HI)
- The Mooring Restaurant (Newport, RI)
- The Pink Door (Seattle, WA)
- The Prado at Balboa Park (San Diego, CA)
- The Smith, Lincoln Square (New York, NY)
- The Tropicale (Palm Springs, CA)
- The Twisted Olive (Green, OH)
- Tom Hams Lighthouse (San Diego, CA)
- True Food Kitchen (Pasadena, CA)
- Ulele (Tampa, FL)
- Virtu Honest Craft (Scottsdale, AZ)
- Wildflower (Tucson, AZ)

QUICK-SERVICE RESTAURANTS

23.1 Overview

The Daily Meal (www.thedaily meal.com) analyzed year-over-year changes in the number of monthly visits for each national quick-service restaurant chain. The assessment ranked restaurants in each state with the highest increase in visits during the pandemic.

23.2 Top Restaurant Chains By State

The quick-service restaurant chains with the largest increase in visits between June 2019 and June 2020 were as follows:

- Alabama: Sonic
- Arizona: Sonic
- Arkansas: Sonic
- California: McDonald's
- Colorado: Chick-fil-A
- Connecticut: Wendy's
- Delaware: Chick-fil-A
- Florida: Chick-fil-A
- Georgia: McDonald's
- Idaho: Sonic
- Illinois: Wendy's
- Indiana: Chick-fil-A
- Iowa: Taco Bell
- Kansas: Sonic
- Kentucky: Sonic
- Louisiana: Popeyes
- Maine: Taco Bell
- Maryland: Chick-fil-A
- Massachusetts: Taco Bell
- Michigan: Taco Bell
- Minnesota: Taco Bell
- Mississippi: Sonic
- Missouri: Sonic
- Montana: Wendy's
- Nebraska: Sonic

- Nevada: McDonald's
- New Hampshire: Taco Bell
- New Jersey: Wendy's
- New Mexico: Sonic
- New York: Wendy's
- North Carolina: McDonald's
- North Dakota: McDonald's
- Ohio: Taco Bell
- Oklahoma: Sonic
- Oregon: Taco Bell
- Pennsylvania: McDonald's
- Rhode Island: McDonald's
- South Carolina: Sonic
- South Dakota: Culver's
- Tennessee: Sonic
- Texas: Sonic
- Utah: Wendy's
- Vermont: Taco Bell
- Virginia: McDonald's
- Washington: Wendy's
- West Virginia: Wendy's
- Wisconsin: Culver's
- Wyoming: Wendy's

REGIONAL MENU SELECTIONS

24.1 Overview

Yelp (www.yelp.com) assessed food items called in for delivery between March 16 and May 1, 2020, identifying the menu items unique to each state.

The analysis quantified how frequently menu items are ordered in a state relative to its popularity in other states, a technique known as Frequency-Inverse Document Frequency.

24.2 Most Popular By State

The most popular food-delivery menu items unique to each state between March 16 and May 1, 2020, were as follows:

- Alabama: Nachos
- Alaska: Gumbo
- Arizona: Tacos
- Arkansas: Spring rolls
- California: Bubble tea
- Colorado: Crab rangoon
- Connecticut: Cheese pizza
- Delaware: Pho
- Florida: Garlic rolls
- Georgia: Wings
- Hawaii: Bubble tea
- Idaho: Cheese pizza
- Illinois: Thin crust pizza
- Indiana: Poke bowls
- Iowa: Burgers
- Kansas: Gyros
- Kentucky: Gyros
- Louisiana: Sushi
- Maine: Pad Thai
- Maryland: Gyros
- Massachusetts: General Tso's chicken
- Michigan: Bubble tea
- Minnesota: Donuts
- Mississippi: Catfish

- Missouri: Belgian fries (twice fried French fries)
- Montana: Egg rolls
- Nebraska: Sushi
- Nevada: Spam musubi (sushi made out of Spam)
- New Jersey: Cheese pizza
- New York: Cheese pizza
- New Mexico: Green chile cheeseburgers
- New Hampshire: Crab rangoon
- North Dakota: Gyros
- North Carolina: Tacos
- Ohio: Deep dish pizza
- Oklahoma: Croissants
- Oregon: Loaded burgers
- Pennsylvania: Italian hoagies
- Rhode Island: General Tso's chicken
- South Dakota: Dumplings
- South Carolina: Sushi
- Tennessee: Chicken tenders
- Texas: Crawfish
- Utah: Hot wings
- Vermont: Burritos
- Virginia: Tacos
- Washington: Pad Thai
- West Virginia: Bao buns (Chinese bread rolls typically filled with BBQ pork and pickled vegetables)
- Wisconsin: Pad Thai
- Wyoming: Naan

PART IV: RESOURCES

CORONAVIRUS INFORMATION SOURCES

25.1 Links To Major Information Sources

The following are information sources relevant to restaurant operations about the coronavirus and pandemic:

A State-by-state Guide to COVID-19 Resources for the Food and Beverage Industries

- *Restaurant Business*
- www.restaurantbusinessonline.com/operations/state-state-guide-covid-19-resources-food-beverage-industries

Best Practices for Retail Food Stores, Restaurants, and Food Pick-Up/Delivery Services During the COVID-19 Pandemic

- Food & Drug Administration
- www.fda.gov/food/food-safety-during-emergencies/best-practices-retail-food-stores-restaurants-and-food-pick-updelivery-services-during-covid-19#employeehealth.

Business Resources

- National Restaurant Association
- www.restaurant.org/manage-my-restaurant/business-operations/covid19/business-resources-information

Considerations for Restaurants and Bars

- Centers for Disease Control and Prevention
- www.cdc.gov/coronavirus/2019-ncov/community/organizations/business-employers/bars-restaurants.html

Coronavirus (COVID-19) Resources

- California Restaurant Association
- www.calrest.org/coronavirus-resources

COVID-19 Reopening Guidance

- National Restaurant Association
- <https://go.restaurant.org/covid19-reopening-guide>.

COVID-19 Resources For Restaurants

- *Modern Restaurant Management*
- www.modernrestaurantmanagement.com/covid-19-resources-for-restaurants/

Food Safety and the Coronavirus Disease 2019 (COVID-19)

- Food & Drug Administration
- www.fda.gov/food/food-safety-during-emergencies/food-safety-and-coronavirus-disease-2019-covid-19

Foodservice Planning Program: State of the Industry, June 2020

- Technomic
- www.technomic.com/newsroom/technomic-shares-key-data-points-state-industry-presentation-launches-new

Guidance on Preparing Workplaces for COVID-19

- U.S. Department of Labor, Occupational Safety and Health Administration
- www.osha.gov/Publications/OSHA3990.pdf

Hospitality, Restaurant, and Bar Industry Resource Center

- Leech Tishman Fuscaldo & Lampl LLC
- www.leechtishman.com/capabilities/hospitality-restaurant-and-bar-industry-covid-19-resource-center/

Links to Resources Available to Help Culinary Professionals Through COVID-19

- American Culinary Federation
- www.wearechefs.com/resources-list-to-assist-culinary-professionals/

NCR Coronavirus Response Resources

- NCR Corporation
- www.ncr.com/blogs/restaurants/restaurant-industry-resources-list

Resources for Restaurants and Workers Coping with the COVID-19 Emergency

- Restaurant Workers' Community Foundation
- www.restaurantworkerscf.org/news/2020/3/15/resources-for-restaurants-and-workers-coping-with-the-covid-19-emergency

Safety First

- James Beard Foundation
- www.jamesbeard.org/blog/safety-first

CDC GUIDELINES

26.1 Overview

The Centers for Disease Control and Prevention (www.cdc.gov) published *Considerations for Restaurants and Bars*, providing guidelines for restaurant operators to protect employees, customers, and communities and slow the spread of COVID-19.

The guidelines are intended to supplement – not replace – any state, local, territorial, or tribal health and safety laws, rules, and regulations with which businesses must comply.

Considerations for Restaurants and Bars is available at no cost at www.cdc.gov/coronavirus/2019-ncov/community/organizations/business-employers/bars-restaurants.html.

26.2 Summary Of Guidelines

The following is a summary of *Considerations for Restaurants and Bars*:

Guiding Principles

- Lowest Risk: Food service limited to drive-through, delivery, take-out, and curbside pick up.
- More Risk: Drive-through, delivery, take-out, and curbside pick up emphasized. On-site dining limited to outdoor seating. Seating capacity reduced to allow tables to be spaced at least 6' apart.
- Even More Risk: On-site dining with both indoor and outdoor seating. Seating capacity reduced to allow tables to be spaced at least 6' apart.
- Highest Risk: On-site dining with both indoor and outdoor seating. Seating capacity not reduced and tables not spaced at least 6' apart.

Promoting Behaviors that Reduce Spread

- Actively encourage employees who are sick or have recently had close contact with a person with COVID-19 to stay home. Employees who have recently had close contact with a person with COVID-19 should also stay home and monitor their health.
- Require frequent employee handwashing with soap and water for at least 20 seconds and increase monitoring to ensure adherence. If soap and water are not readily available, use hand sanitizer that contains at least 60% alcohol.
- Require the use of cloth face coverings among all staff, as feasible.
- Post signs in highly visible locations that promote everyday protective measures and describe how to stop the spread of germs such as by properly washing hands and properly wearing a cloth face covering.

Maintaining Healthy Environments

- Clean and disinfect frequently touched surfaces at least daily, or as required by food safety requirements.
- Develop a schedule for increased, routine cleaning and disinfection.
- Discourage sharing of items that are difficult to clean, sanitize, or disinfect.
- Ensure that ventilation systems operate properly and increase circulation of outdoor air as much as possible, for example by opening windows and doors and prioritizing outdoor seating.
- Change restaurant and bar layouts to ensure that all customer parties remain at least 6 feet apart.
- Limit seating capacity to allow for social distancing.
- Offer drive-through, curbside take out, or delivery options as applicable.
- Install physical barriers, such as sneeze guards and partitions, particularly in areas where it is difficult for individuals to remain at least 6 feet apart.

Maintaining Healthy Operations

- Avoid group events, gatherings, or meetings where social distancing of at least 6 feet between people cannot be maintained.
- Rotate or stagger shifts to limit the number of employees in the restaurant or bar at the same time.
- Stagger and limit dining times to minimize the number of customers in the establishment.
- Designate a staff person for each shift to be responsible for responding to COVID-19 concerns. All staff members should know who this person is and how to contact them.

Preparing for Sick Employees

- Make sure that employees know they should not come to work if they are sick, and they should notify their manager or other designated COVID-19 point of contact if they become sick with COVID-19 symptoms, test positive for COVID-19, or have been exposed to someone with COVID-19 or have been exposed to someone with symptoms or a confirmed or suspected case.
- In accordance with state and local laws, restaurant and bar operators should notify local health officials and staff immediately of any case of COVID-19 among employees, while maintaining confidentiality in accordance with the Americans with Disabilities Act.

FDA BEST PRACTICES

27.1 Overview

The Food & Drug Administration (FDA, www.fda.com) has published *Best Practices for Retail Food Stores, Restaurants, and Food Pick-Up/Delivery Services During the COVID-19 Pandemic*, a food safety checklist for retail food establishments related to the COVID-19 pandemic. This publication addresses key food safety practices for retail food establishments to consider when re-opening and restarting operations. It addresses key considerations for how foods offered can be safely handled and delivered to the public.

The FDA publication focuses on four key areas, as follows:

- Managing employee health (including contracted workers)
- Personal hygiene for employees
- Managing operations in a foodservice establishment or retail food store
- Managing food pick-up and delivery

27.2 Link To Best Practices Publication

Best Practices for Retail Food Stores, Restaurants, and Food Pick-Up/Delivery Services During the COVID-19 Pandemic is available at no cost at www.fda.gov/food/food-safety-during-emergencies/best-practices-retail-food-stores-restaurants-and-food-pick-updelivery-services-during-covid-19#employeehealth.

RESTAURANT REOPENING GUIDANCE

28.1 Overview

The National Restaurant Association (www.restaurant.org) published in April 2020 and has regularly updated a guide to help restaurants open safely. *COVID-19 Reopening Guidance* provides recommendations for cleaning and sanitation, personal hygiene, social distancing, and health monitoring. The guide incorporates information and best practices from the Centers for Disease Control and Prevention (www.cdc.gov) and the Food & Drug Administration (www.fda.gov).

COVID-19 Reopening Guidance is available at no cost at <https://go.restaurant.org/covid19-reopening-guide>.

28.2 Summary of Guidelines

The following is a summary of *COVID-19 Reopening Guidance*:

Requirements of the Food Code That Apply to Coronavirus Mitigation

- Prohibiting sick employees in the workplace
- Strict handwashing practices that include how and when to wash hands
- Strong procedures and practices to clean and sanitize surfaces
- Ensuring the person in charge of a foodservice facility is a certified food safety manager
- Ensuring the person in charge is on site at all times during operating hours

Update Policies Regarding The Following

- Social distancing and protective equipment
- Employee health
- Cleaning/sanitizing/disinfecting

Food Safety

- Discard all food items that are out of date.
- Where salad bars and buffets are permitted by local/state officials, they must have sneeze guards in place.
- Change, wash and sanitize utensils frequently and place appropriate barriers in open areas.
- If providing a “grab and go” service, stock coolers to no more than minimum levels.
- Ensure the person in charge is ServSafe certified and that their certification is up to date, and provide food handler training to refresh employees.

Cleaning and Sanitizing

- Thoroughly detail-clean and sanitize entire facility, especially if it has been closed. Focus on high-contact areas that would be touched by both employees and guests.
- Wash and rinse food contact surfaces, food preparation surfaces, and beverage equipment after use.
- Avoid all food contact surfaces when using disinfectants.
- Use contactless payment options as much as possible.
- Ask customers and employees to exchange cash or cards by placing them on a receipt tray or on the counter to avoid hand-to-hand contact.
- Clean and disinfect any pens, counters, or hard surfaces between use or customer.
- Use disposable foodservice items (utensils, dishes). If disposable items are not feasible, ensure that all non-disposable foodservice items are handled with gloves and wash according to FDA Food Code requirements.
- Avoid using food and beverage containers or utensils brought in by customers.
- Ensure that ventilation systems operate properly and increase circulation of outdoor air as much as possible such as by opening windows and doors.

Monitoring Employee Health and Personal Hygiene

- Per existing FDA Food Code requirements, employees who are sick should remain at home.
- If an employee becomes ill or presents signs of illness, the operator should identify the signs during a pre-work screening and follow the business's established policies on when the ill employee is allowed to return to work.
- Inform those who have had close contact to a person diagnosed with COVID-19 to stay home and self-monitor for symptoms.
- Immediately notify local health officials, staff, and customers (if possible) of any possible case of COVID-19, but maintain confidentiality that's consistent with the Americans with Disabilities Act (ADA) and other applicable federal and state privacy laws.
- Train all employees on the importance of frequent hand washing, the use of hand sanitizers with at least 60% alcohol content, and give them clear instruction to avoid touching hands to face.

Social Distancing

- Update floor plans for common dining areas, redesigning seating arrangements to ensure at least six feet of separation between table setups. Limit party size at tables to no more than the established maximums approved as recommended by CDC or approved by local and state government.

APPENDIX A

MARKET RESOURCES

24/7 Wall St. LLC, P.O. Box 287437, New York, NY 10128. (917) 865-2143.
(www.247wallst.com)

Aaron Allen & Associates, 35 E. Wacker Drive, Suite 3500, Chicago, IL 60601.
(312) 701-3500. (www.aaronallen.com)

Black Box Intelligence, 14785 Preston Road, Suite 290, Dallas, TX 75254.
(972) 364-0490. (www.blackboxintelligence.com)

Business Insider Intelligence, One Liberty Street, Eighth Floor, New York, NY 10006.
(646) 376-6050. (www.businessinsider.com/intelligence)

Centers for Disease Control and Prevention, 1600 Clifton Road NE, Atlanta, GA 30333.
(404) 639-3311. (www.cdc.gov)

Datassential, 18 S. Michigan Avenue, Chicago, IL 60603. (312) 655-0622.
(www.datassential.com)

Domo, 772 East Utah Valley Drive, American Fork, UT 84003. (800) 899-1000.
(www.domo.com)

Earnest Research, 290 Park Avenue South, 12th Floor, New York, NY 10010.
(917) 375-1439. (www.earnestresearch.com)

Food and Drug Administration, 10903 New Hampshire Avenue, Silver Spring, MD 20993. (888) 463-6332. (www.fda.gov)

Foodservice IP, 5715 Lynx Lane, Dublin, OH 43017. (312) 602-9889.
(www.foodserviceip.com)

National Association of Pizzeria Operators, 908 South 8th Street, Suite 200, Louisville, KY 40203. (502) 736-9530. (www.pizzatoday.com)

National Restaurant Association, 2055 L Street NW, Suite 700, Washington, DC 20036.
(202) 331-5900. (www.restaurant.org)

Nation's Restaurant News, 1166 Avenue of the Americas, 10th Floor, New York, NY 10036. (212) 204-4200. (www.nrn.com)

Pew Research Center, 1615 L Street NW, Suite 700, Washington, DC 20036. (202) 419-4300. (www.pewresearch.org)

Placer Labs, 153 2nd Street, Los Altos, CA 94022. (www.placer.ai)

Restaurant Business, 1 Tower Lane, Suite 2000, Oakbrook Terrace, IL 60181. (630) 574-5075. (www.restaurantbusinessonline.com)

Richard K. Miller & Associates, 2413 Main Street, Suite 331, Miramar, FL 33025. (888) 928-7562. (www.rkma.com)

RTI International, 3040 East Cornwallis Road, Research Triangle Park, NC 27709. (919) 541-6000. (www.rti.org)

SafeGraph, 182 Howard Street, Suite 842, San Francisco, CA 94105. (415) 480-4752. (www.safegraph.com)

Technomic, Inc., 300 South Riverside Plaza, Suite 1200, Chicago, IL 60606. (312) 876-0004. (www.technomic.com)

The Gallup Organization, 901 F Street NW, Washington, DC 20004. (202) 715-3030. (www.gallup.com)

The Harris Poll, 1100 Wilson Boulevard, Suite 1000, Arlington, VA 22209. (www.theharrispoll.com)

Uber Eats, 1455 Market Street, 4th Floor, Trevese, PA 94103. (866) 977-3897. (www.ubereats.com)

Yelp, 140 New Montgomery Street, San Francisco, CA 94105. (415) 908-3801. (www.yelp.com)

Yelp Economic Average. (www.yelpeconomicaverage.com)

APPENDIX B

COVID-19 CASES & DEATHS BY STATE

The first diagnosis of COVID-19 infection in the United States was on January 20, 2020. From this date through October 1, 2020, the Centers for Disease Control and Prevention (www.covid.cdc.gov/covid-data-tracker/#cases) reported 7,475,262 total cases and 210,232 total deaths due to COVID-19.

By state, the total number of COVID-19 cases from January 20, 2020, through October 1, 2020, were as follows:

- Utah: 79,439
- Kentucky: 74,194
- Colorado: 74,191
- Kansas: 62,708
- Connecticut: 59,241
- Nebraska: 48,757
- Idaho: 45,082
- Oregon: 35,340
- New Mexico: 30,947
- Rhode Island: 25,596
- South Dakota: 24,876
- North Dakota: 24,857
- Delaware: 21,466
- West Virginia: 16,936
- Montana: 15,723
- District of Columbia: 15,652
- Hawaii: 13,124
- Alaska: 8,752
- New Hampshire: 8,731
- Wyoming: 6,770
- Maine: 5,604
- Vermont: 1,821

By state, the total number of COVID-19 deaths from January 20, 2020 through October 1, 2020, were as follows:

- New York: 32,950
- California: 16,177
- New Jersey: 16,147
- Texas: 16,111
- Florida: 14,767
- Massachusetts: 9,531
- Illinois: 9,085
- Pennsylvania: 8,244
- Georgia: 7,229
- Michigan: 7,161
- Arizona: 5,713
- Louisiana: 5,592
- Ohio: 4,947
- Connecticut: 4,521
- Maryland: 3,973
- Indiana: 3,711
- North Carolina: 3,670
- South Carolina: 3,471
- Virginia: 3,303

- Mississippi: 3,027
- Tennessee: 2,621
- Alabama: 2,580
- Missouri: 2,200
- Washington: 2,165
- Minnesota: 2,140
- Colorado: 2,081
- Nevada: 1,669
- Arkansas: 1,469
- Wisconsin: 1,410
- Iowa: 1,400
- Kentucky: 1,218
- Rhode Island: 1,125
- Oklahoma: 1,072
- New Mexico: 894
- Kansas: 706
- Delaware: 646
- District of Columbia: 631
- Oregon: 581
- Nebraska: 507
- Idaho: 492
- Utah: 488
- New Hampshire: 446
- West Virginia: 364
- North Dakota: 304
- South Dakota: 248
- Montana: 192
- Hawaii: 160
- Maine: 142
- Alaska: 58
- Vermont: 58
- Wyoming: 53

* Includes 248,885 cases and 23,873 deaths in New York City.

APPENDIX C

STATE HEALTH DEPARTMENTS

- Alabama Department of Public Health (www.adph.org)
- Alaska Department of Health and Social Services (www.dhss.alaska.gov/Pages/default.aspx)
- Arizona Department of Health Services (www.azdhs.gov)
- Arkansas Department of Health (www.healthy.arkansas.gov)
- California Department of Public Health (www.cdph.ca.gov)
- Colorado Department of Public Health and Environment (www.colorado.gov/cdphe)
- Connecticut State Department of Public Health (www.ct.gov/dph/site/default.asp)
- Delaware Division of Public Health (www.dhss.delaware.gov/dhss/dph/index.html)
- District of Columbia Department of Health (www.doh.dc.gov)
- Florida Department of Health (www.floridahealth.gov)
- Georgia Department of Public Health (www.dph.georgia.gov)
- Hawaii State Department of Health (www.health.hawaii.gov)
- Idaho Department of Health and Welfare (www.healthandwelfare.idaho.gov)
- Illinois Department of Public Health (www.dph.illinois.gov)
- Indiana State Department of Health (www.in.gov/isdh)
- Iowa Department of Public Health (www.idph.iowa.gov)
- Kansas Department of Health and Environment (www.kdheks.gov)
- Kentucky Department for Public Health (www.chfs.ky.gov/agencies/dph/Pages/default.aspx)
- Louisiana Department of Health (www.dhh.louisiana.gov)
- Maine Department of Health and Human Services (www.maine.gov/dhhs/index.shtml)
- Maryland Department of Health (www.health.maryland.gov)
- Massachusetts Department of Public Health (www.mass.gov/orgs/department-of-public-health)
- Michigan Department of Health and Human Services (www.michigan.gov/mdch)
- Minnesota Department of Health (www.health.state.mn.us)
- Mississippi State Department of Health (www.msdh.ms.gov)
- Missouri Department of Health and Senior Services (www.health.mo.gov/index.php)
- Montana Department of Public Health and Human Services (www.dphhs.mt.gov)
- Nebraska Department of Health and Human Services (www.dhhs.ne.gov/Pages/default.aspx)
- Nevada Division of Public and Behavioral Health (www.dpbh.nv.gov)
- New Hampshire Department of Health and Human Services (www.dhhs.nh.gov)

- New Jersey Department of Health (www.state.nj.us/health)
- New Mexico Department of Health (www.nmhealth.org)
- New York State Department of Health (www.health.ny.gov)
- North Carolina Department of Health and Human Services (www.ncdhhs.gov)
- North Dakota Department of Health (www.ndhealth.gov)
- Ohio Department of Health (www.odh.ohio.gov)
- Oklahoma State Department of Health (www.ok.gov/health)
- Oregon Health Authority, Public Health Division
(www.oregon.gov/oha/ph/pages/index.aspx)
- Pennsylvania Department of Health (www.health.pa.gov/Pages/default.aspx)
- Rhode Island Department of Health (www.health.ri.gov)
- South Carolina Department of Health and Environmental Control (www.scdhec.gov)
- South Dakota Department of Health (www.doh.sd.gov)
- Tennessee Department of Health (www.tn.gov/health.html)
- Texas Department of State Health Services (www.dshs.state.tx.us)
- Utah Department of Health (www.health.utah.gov)
- Vermont Department of Health (www.healthvermont.gov)
- Virginia Department of Health (www.vdh.virginia.gov)
- Washington State Department of Health (www.doh.wa.gov)
- West Virginia Department of Health and Human Resources, Bureau for Public Health (www.dhhr.wv.gov/bph)
- Wisconsin Department of Health Services (www.dhs.wisconsin.gov)
- Wyoming Department of Health (www.health.wyo.gov)

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