



January 2023

Nationwide Restaurant Survey Results

Nationwide
is on your side

1000 Yard Street

METHODOLOGY



Audiences

Restaurant Decision Makers

U.S. restaurant owners, part-owners, or general managers who work at fine dining, family style, or fast casual establishments that have been in business for over 6 months. Respondents also qualified as restaurant decision makers if they are head chefs at fine dining restaurants.

Restaurant Patrons

U.S. adults ages 18+ who visit a fine dining, family style, or fast casual restaurant 2 or more times per week on average, order delivery/take-out 2 or more times per week on average, or do a mix of both at least once per week.



Sample Size

N=500

N=1,000



Methodology

**15-Minute
Online Survey**



Timing

**Survey Fielded
November 28th –
December 13th, 2022**

KEY FINDINGS – RESTAURANT DECISION MAKERS

1

Overall, restaurant decision makers have a positive outlook on their business' financial situation

Over 8 in 10 (82%) say they are doing better financially than expected. Nearly 3 in 4 (72%) report an increase in their restaurant's revenue over the past 6 months, and more than 9 in 10 (93%) also anticipate revenue increases in the next 6 months. However, restaurant decision makers are split on their perceptions of how the COVID-19 pandemic impacted their businesses, with 44% saying it had a positive impact on their restaurant's financial situation and 46% who say it was negative.

2

Inflation and difficulties acquiring food or supplies are among the top concerns for restaurant decision makers today

More than 6 in 10 (62%) cite it inflation/rising costs as well as difficulty acquiring food/supplies as challenges facing their business today. Of those struggling with inflation, roughly a quarter have increased prices (28%) or changed menu items (23%). In regard to food and supply constraints, fresh seafood and fruits & vegetables are not only the most difficult items for restaurant decision makers to acquire, but they have also experienced the largest price increases over the past 6 months.

3

The largest risk factors currently facing restaurants are negative reviews, fires, and equipment breakdowns

Roughly a quarter of restaurant decision makers cite negative reviews (25%), fires (24%), and equipment breakdowns (24%) as among the largest risks for their restaurant today. Additional risk factors include liquor liability (23%), food contamination (19%), and customer allergies (18%). When considering different business types, fast casual restaurant decision makers are more likely than other leaders to cite negative reviews among their top risk factors (34% vs. 23% fine dining, 20% family style).

4

Safety and emergency preparedness is both a priority and strength of restaurant decision makers

Nearly 9 in 10 (87%) have mandatory safety training for their staff, and it pays off: almost 3 in 4 decision makers (74%) say their staff is completely prepared to manage emergency situations, such as a fire or injury. Nearly all (96%) decision makers say they know where at least one fire extinguisher is located, and they believe their staff does as well (97%). Few have ever had injuries on site (14% employee injuries, 7% customer injuries) or received a health inspection violation (5%).

5

Restaurant decision makers are actively involved in their insurance needs and reconsidering coverage

Over 3 in 4 work with an insurance agent to manage their insurance needs (77%) and have reviewed their policy in the past 6 months (84%). Most also have either already done or plan to take a variety of actions related to their policies, including contacting their agent (91%), looking for ways to save money on premiums for existing policies (86%), increasing coverage/limits (77%), or adding another type of coverage to their policy (77%).

KEY FINDINGS – RESTAURANT PATRONS

1

Patrons have a largely positive outlook on their restaurant experiences today

Roughly 3 in 4 restaurant patrons (77%) rate their experiences at restaurants today as good or excellent, while 23% feel they are poor or fair. Those who have had negative experiences attribute their disappointment primarily to price increases, a lack of quality, or staff shortages.

2

Patrons are optimistic about most changes restaurants have made as result of the COVID-19 pandemic

The majority of restaurant patrons feel positive about the changes they have seen restaurants make due to COVID-19, such as improved cleaning or sanitation processes (94%), the addition or expansion of loyalty programs (87%), or the addition or increase of outdoor seating (81%). However, over half are dissatisfied with the increased fees / service charges (79%), reductions in operating hours (67%), and the implementation of time limits on dining (54%) that they have experienced.

3

Despite these positive changes, the overall restaurant experience appears to have gone downhill for many when compared to their pre-pandemic perceptions

While most patrons (67%) feel restaurant cleanliness has improved since the pandemic, several other factors have either worsened or remained the same. For example, roughly 8 in 10 patrons agree prices or fees have increased since the start of the pandemic, and over a third also say hours of operation (54%), quality of service (38%), portion sizes (38%) and restaurant capacity (37%) have also worsened. Additionally, less than a third of restaurant patrons (28%) agree their restaurant experiences have improved since the start of COVID-19.



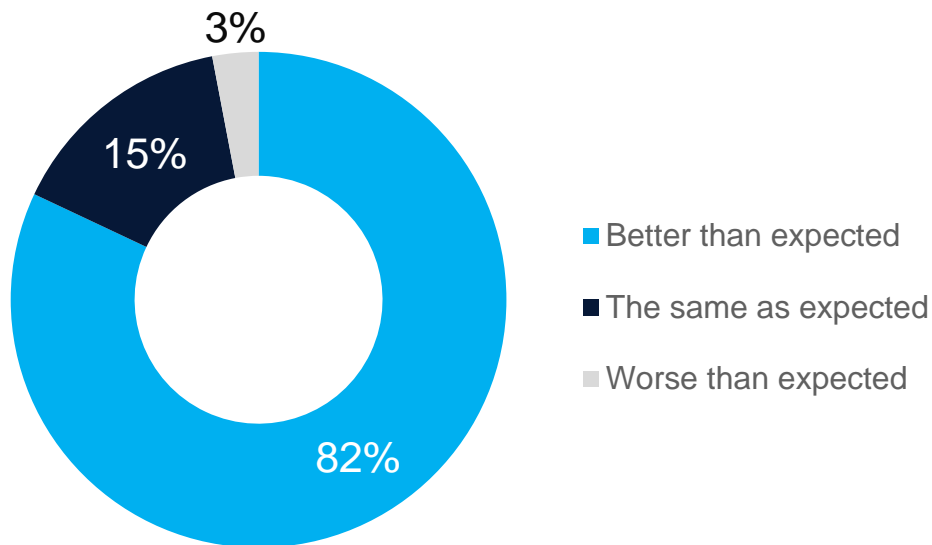
Restaurant Decision Makers

Restaurant decision makers have a positive outlook, with 8 in 10 rating their restaurant's finances better than expected

Nearly 3 in 4 report an increase in revenue over the past 6 months, and over 9 in 10 also anticipate revenue increases in the next 6 months.

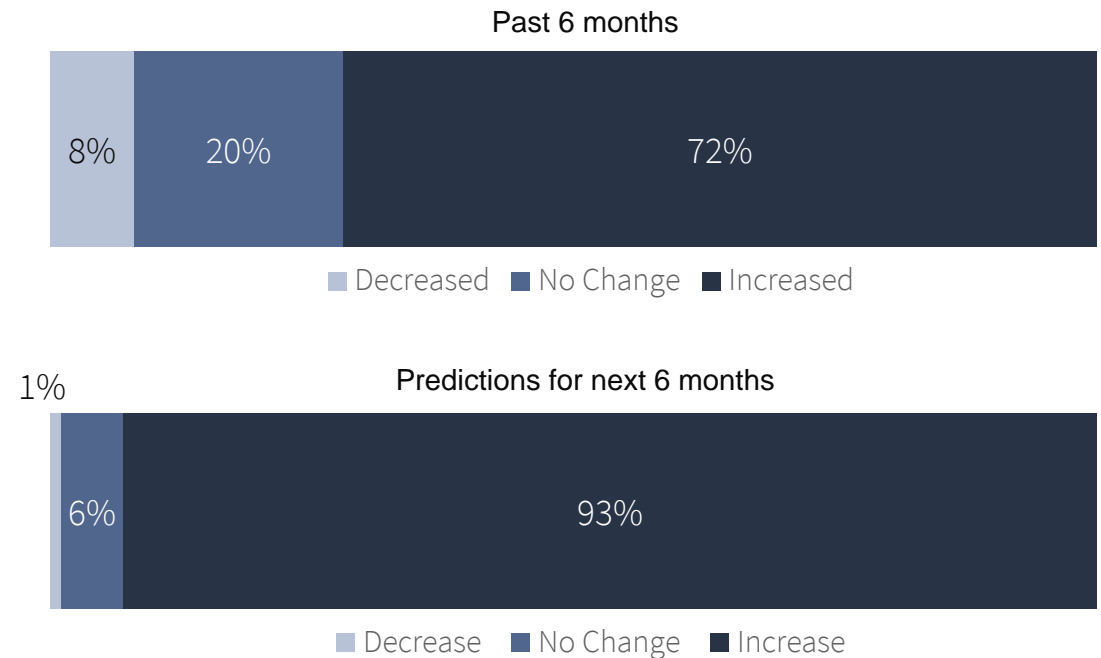
Perceptions of Restaurant's Financial Situation

(Shown: % Select)



Changes in Restaurant Revenue

(Shown: % Select)



Q2. When it comes to my restaurant's financial situation today, I feel we are doing...

Q3a. How has your restaurant's revenue changed over the past 6 months?

Q3b. Looking ahead to the next 6 months, how do you expect your restaurant's revenue will change?

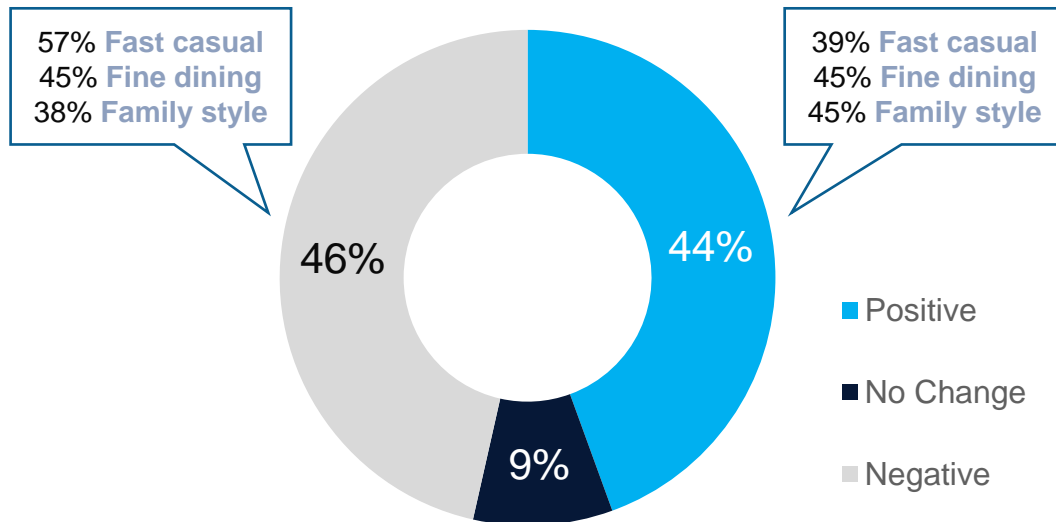
Base: Restaurant Decision Makers (Total n=500)

Restaurant decision makers are split on the financial impact of the pandemic

- Overall, nearly half (46%) say the pandemic negatively impacted their restaurant’s financial situation, compared to 44% who say the experience was a positive on net. However, a clear majority – 57% – of fast casual restaurants report a negative impact.
- The most common changes made by restaurants as a result of COVID-19 include improved cleaning practices, the implementation of mobile ordering and payment devices, as well as reduced operating hours.

Impact of COVID-19 Pandemic on Restaurant Finances

(Shown: % Select, Top 2 Box “Positive”, Bottom 2 Box “Negative”)



Changes Made as a Result of COVID-19 Pandemic

(Shown: % Select)



Q4. What kind of impact did the COVID-19 pandemic have on your restaurant’s financial situation?

Q5. Which of the following changes, if any, did your restaurant make as a result of the COVID-19 pandemic?

Base: Restaurant Decision Makers (Total n=500, Fast casual n=129, Fine dining n=258, Family style n=113)

Inflation, supply chain issues, crime and falling consumer demand are top restaurant challenges today

Slightly less than half (49%) say finding qualified workers is a challenge for their business.

Top Restaurant Challenges (Shown: % Select)	T3B Challenging (Somewhat + Moderately + Very Challenging)	Very Challenging	Moderately Challenging	Somewhat Challenging	Not Challenging
Inflation / rising costs	62%	5%	21%	36%	38%
Difficulty acquiring food / supplies	62%	3%	17%	42%	38%
Difficulty acquiring or replacing equipment / parts	57%	4%	18%	35%	43%
Lack of consumer demand	56%	2%	19%	35%	44%
Crime (for example theft, arson, etc.)	55%	2%	16%	36%	45%
Supply chain constraints	52%	4%	19%	29%	48%
Retaining qualified workers	52%	4%	17%	31%	48%
Finding qualified workers	49%	4%	13%	32%	51%
Maintenance / contactor issues	49%	2%	17%	31%	51%
Insurance costs	49%	3%	15%	31%	51%
Changes in customer preferences / choices (for example more health-conscious requests)	49%	4%	13%	32%	51%
Third-party services (for example DoorDash, Uber Eats, etc.) impacting profits	48%	4%	14%	31%	52%
Digitalization of restaurant services	48%	3%	16%	29%	52%
Health department compliance	46%	3%	12%	30%	54%

Q6. How challenging are each of the following for your restaurant today?

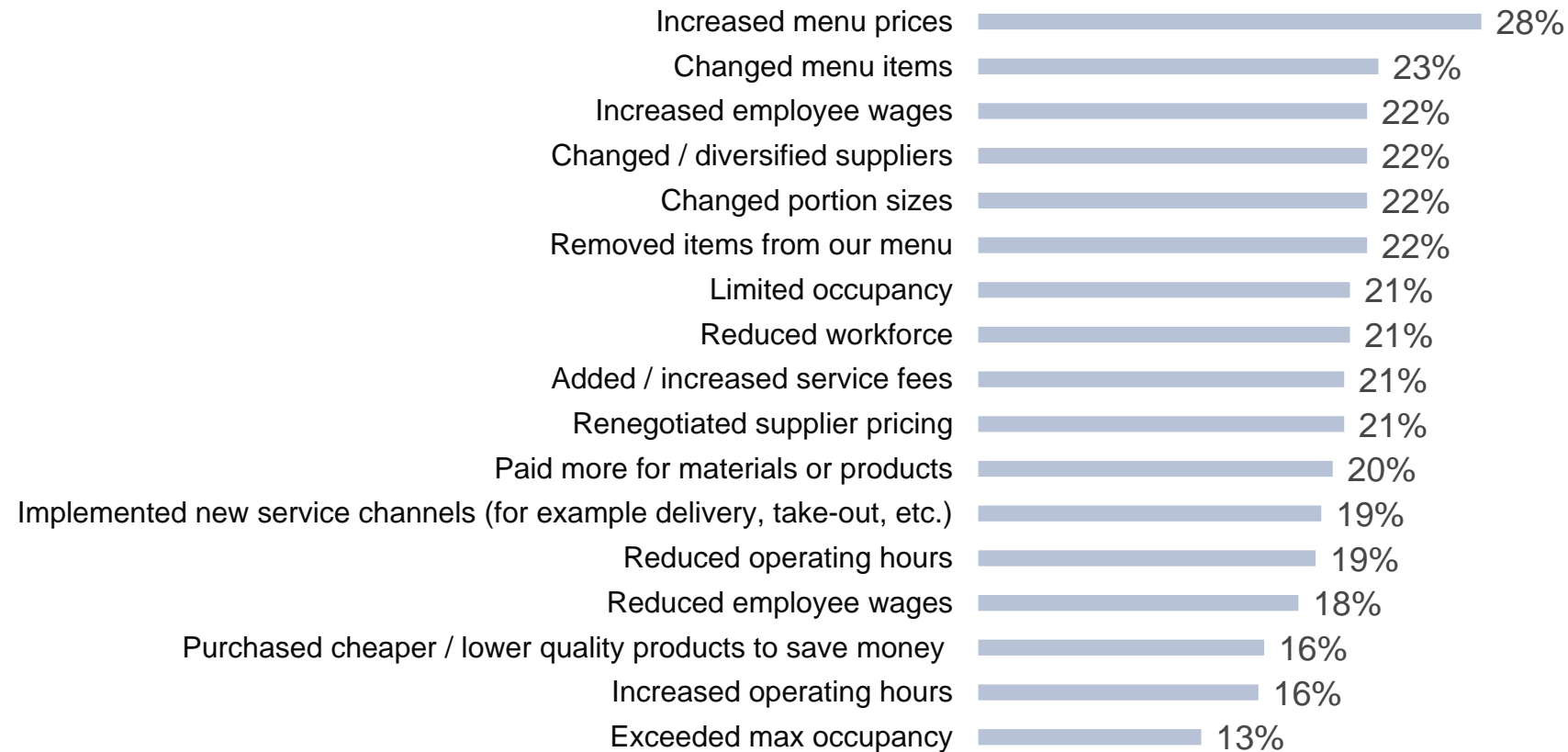
Base: Restaurant Decision Makers (Total n=500)

Of those who have been challenged by inflation or rising living costs, roughly a quarter have increased prices or changed menu items

Additional actions taken as a result of inflation include increased wages for employees, supplier changes or diversification, and alterations to portion sizes.

Actions Taken Due to Inflation

(Shown: % Select)

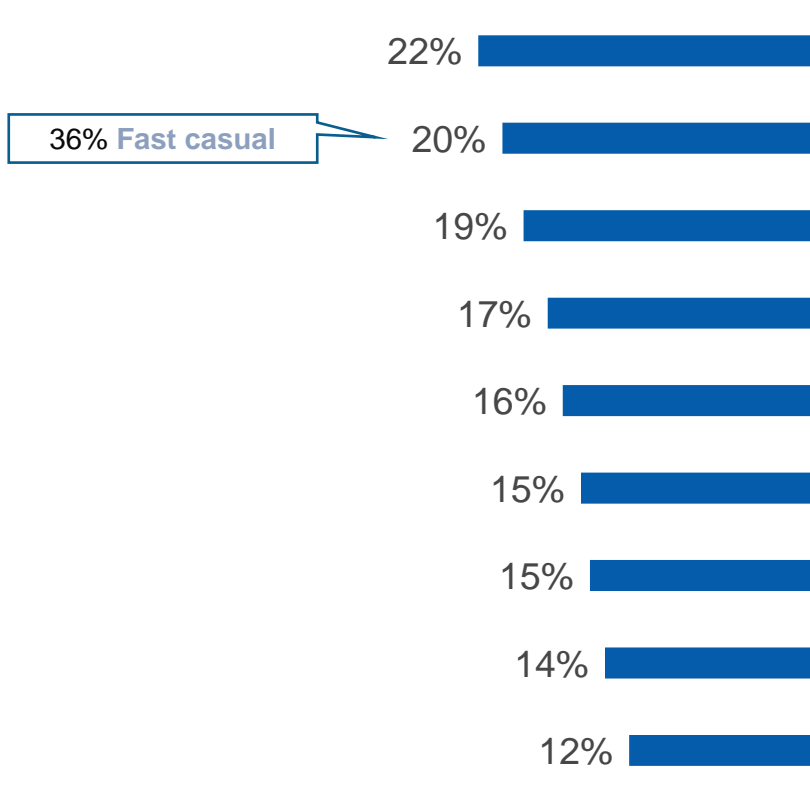


Q7. Which of the following actions, if any, has your restaurant taken as a result of inflation / rising costs? Please select all that apply.

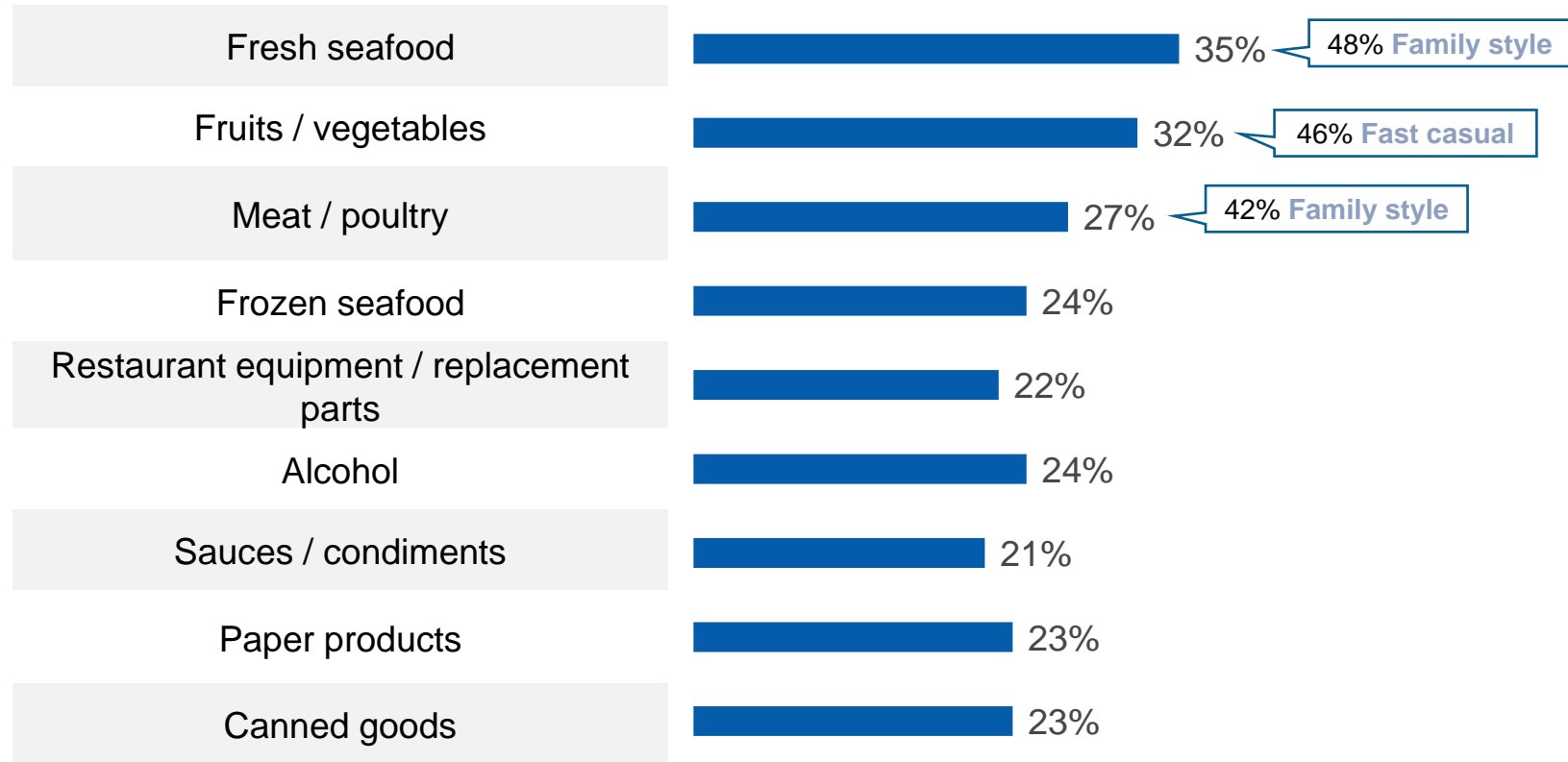
Base: Restaurant Decision Makers who are challenged by inflation / rising living costs (Total n=309)

Fresh seafood and fruits & vegetables are not only the most difficult items for restaurant decision makers to acquire due to supply chain constraints, but they have also experienced the largest price increases over the past 6 months

Difficulty Acquiring Item
(Shown: % Select, Top 2 Box "Difficult")



Items with Largest Price Increases Over Past 6 Months
(Shown: % Select)



Q9. As a result of supply chain constraints, how difficult is it to acquire / stock the following for your restaurant? Please select one per row.

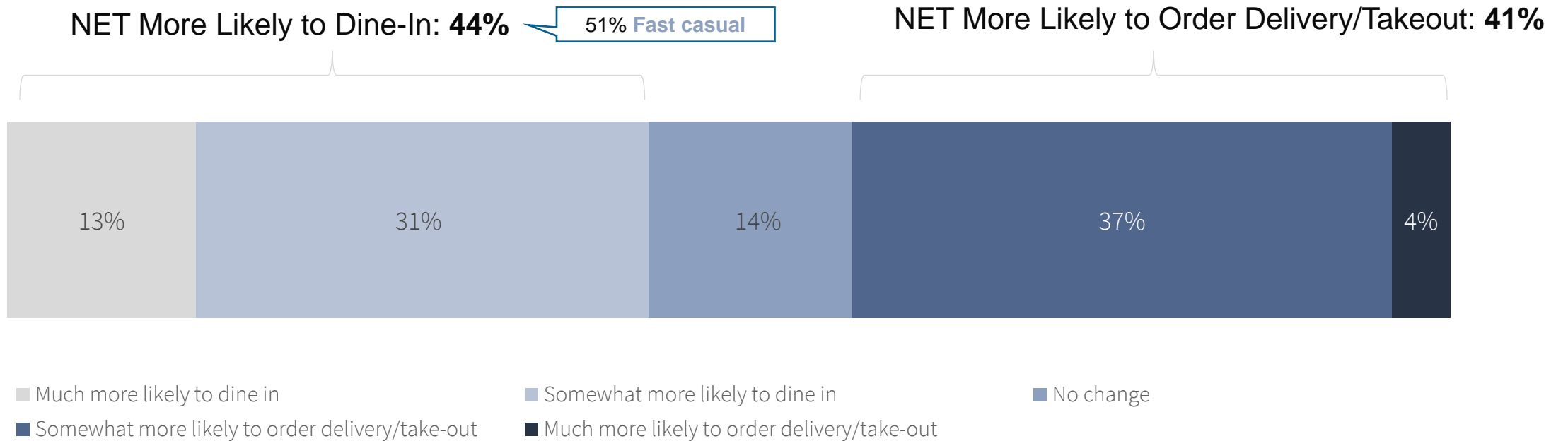
Q10. For which of the following items has your restaurant experienced the largest price increases over the past six months? You may select up to three items.

Base: Restaurant Decision Makers (Total n=500, Fast casual n=129, Family style n=113)

Restaurant decision makers are also split on their perceptions of how the COVID-19 pandemic impacted customer behavior

While nearly half (44%) believe customers are more likely to dine in today compared to 2019, before the COVID-19 pandemic, a similar percentage (41%) say they are more likely to order delivery or takeout. Additionally, those working in fast casual restaurants are more likely to believe customers are dining in more often than they did before COVID-19 pandemic.

Customer Likelihood to Dine-In vs. Order Delivery / Take-out, compared to 2019 pre-COVID-19 pandemic
(Shown: % Select)

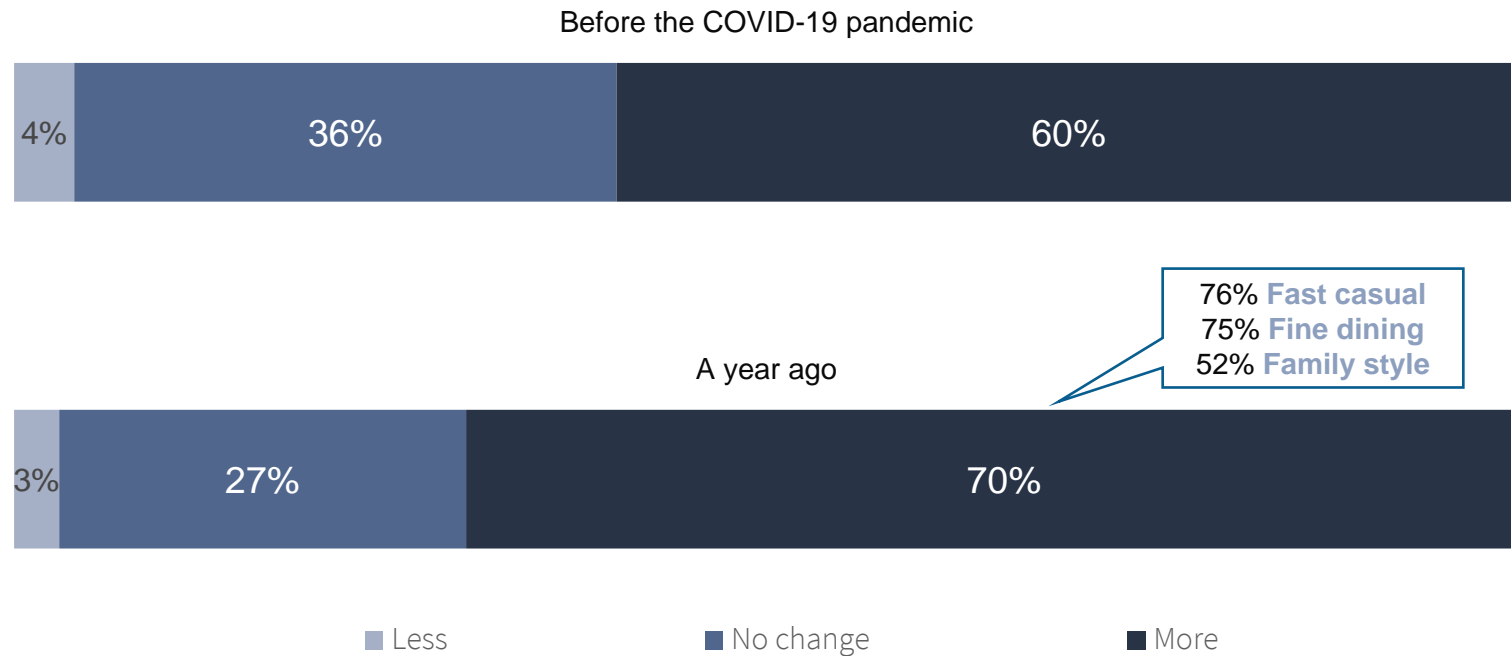


Over half of restaurant decision makers report that customers are tipping more today than they were in previous years

Less than 1 in 10 say customers are tipping less today than they were before the COVID-19 pandemic (4%) or a year ago (3%). Restaurant decision makers who work for family style restaurants, however, are less likely than those working for fine dining or fast casual businesses to say customers are tipping more today than they were a year ago.

Customer Tipping Behavior Compared to...

(Shown: % Select)



Q12. Thinking about your restaurant, are customers tipping more or less today compared to...? Please select one per row.
Base: Restaurant Decision Makers (Total n=500, Fast casual n=129, Fine dining n=258, Family style n=113)

Negative reviews, fires, and equipment breakdowns are cited as the largest risk factors facing restaurants today

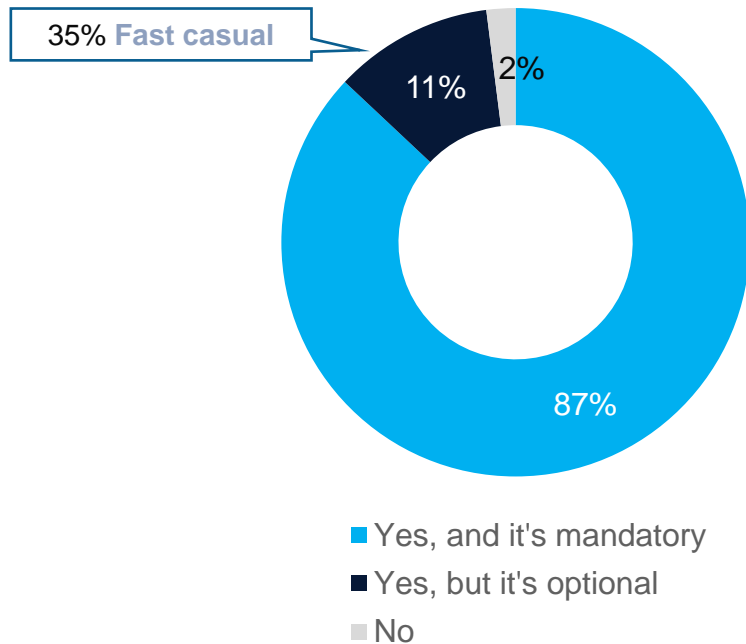
- Additional primary risk factors include liquor liability, food contamination, and customer allergies
- Fast casual restaurant decision makers are more likely than other business leaders to cite negative reviews among their top risk factors.



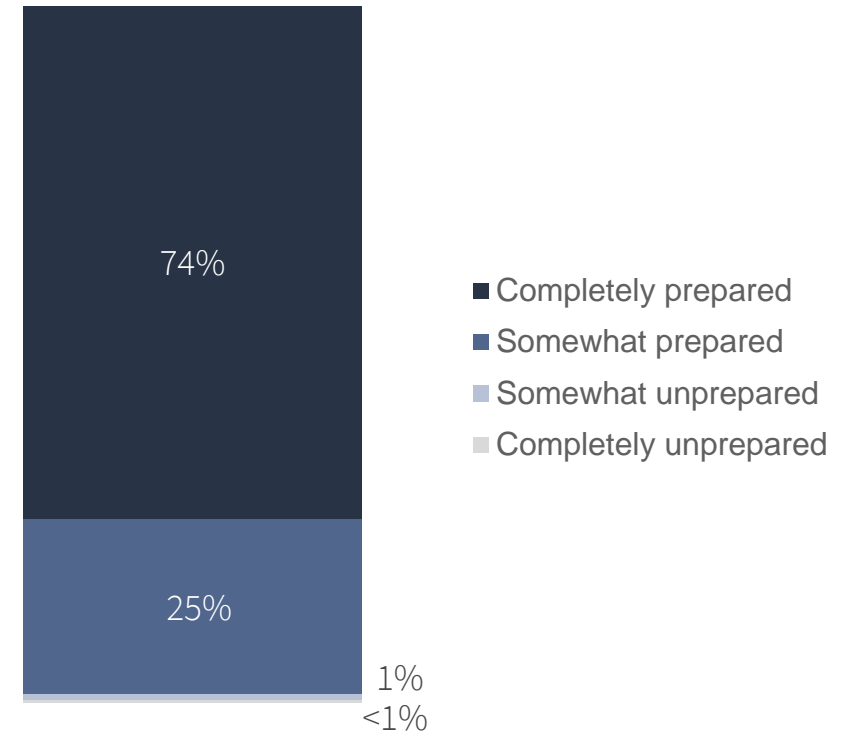
Nearly all restaurant decision makers are confident in their staff's preparedness to manage emergency situations

This is likely due to the safety training / education opportunities offered, as nearly 9 in 10 restaurant decision makers report that they are mandatory for their employees. However, at fast casual restaurants, safety training / education is more likely to be optional.

Safety Training/Education Opportunities Offered to Employees
(Shown: % Select)



Staff Preparedness to Manage Emergency Situations
(Shown: % Select)



Q15. Does your restaurant offer safety training/education opportunities to its employees?

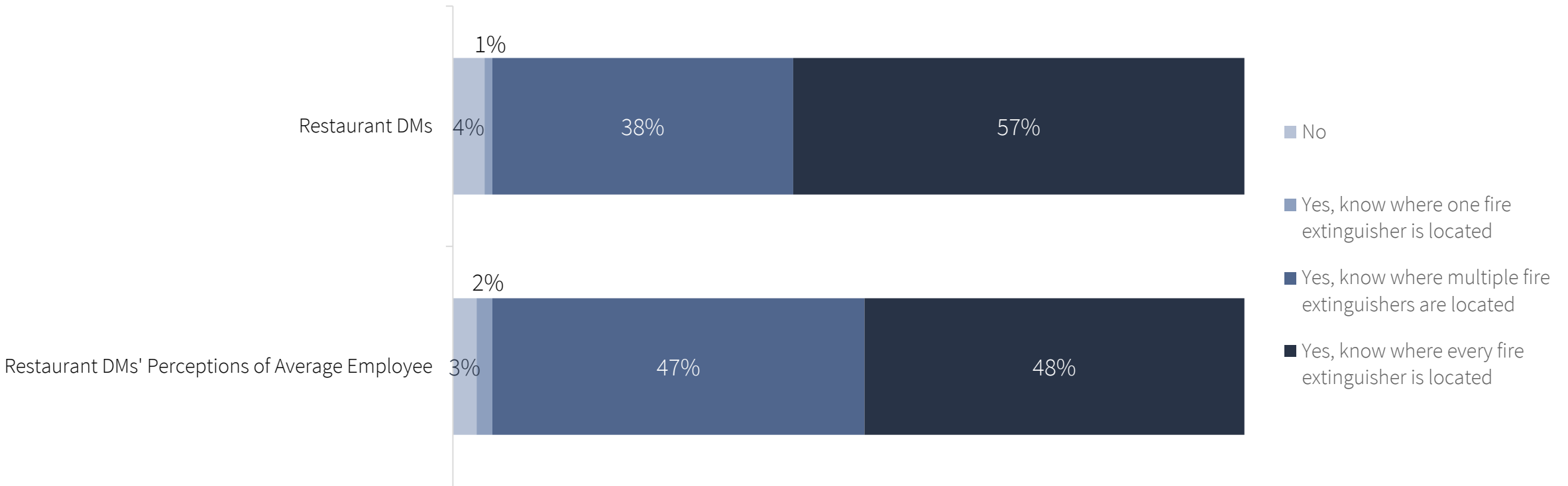
Q16. How prepared would you say your restaurant staff is to manage emergency situations (for example fire, injury, etc.)?

Base: Restaurant Decision Makers (Total n=500, Fast casual n=129)

Over 9 in 10 restaurant decision makers report that both themselves and the average employee working for them knows where multiple fire extinguishers are located within their restaurant

Knowledge of Restaurant's Fire Extinguisher Location

(Shown: % Select)



Q17. Do you currently know where a fire extinguisher is located in your restaurant?

Q18. Do you feel the average employee working at your restaurant currently knows where a fire extinguisher is located?

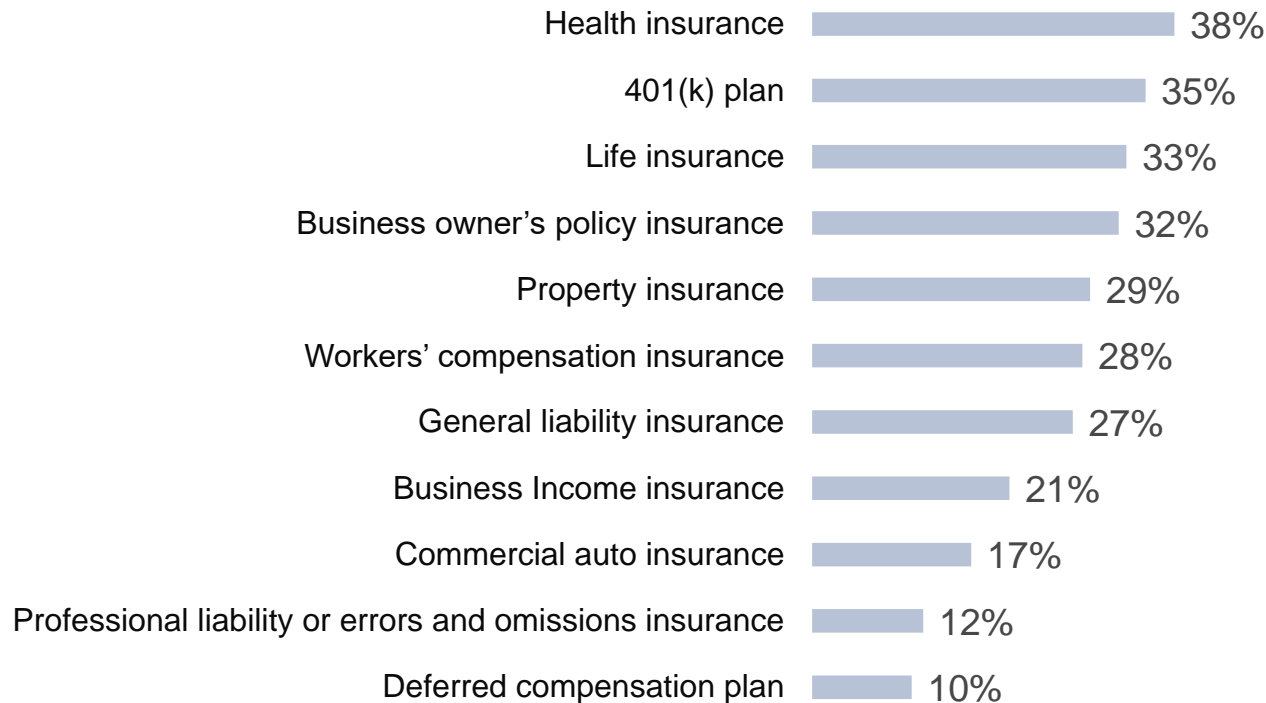
Base: Restaurant Decision Makers (Total n=500)

To mitigate these risks, roughly 3 in 4 restaurant decision makers currently work with an insurance agent; Most have also recently reviewed their policies

Additionally, the most common types of insurance or financial services restaurant decision makers have for their businesses or employees include health insurance, life insurance, and 401(k) plans.

Current Insurance/Financial Services for Restaurants/Employees

(Shown: % Select)

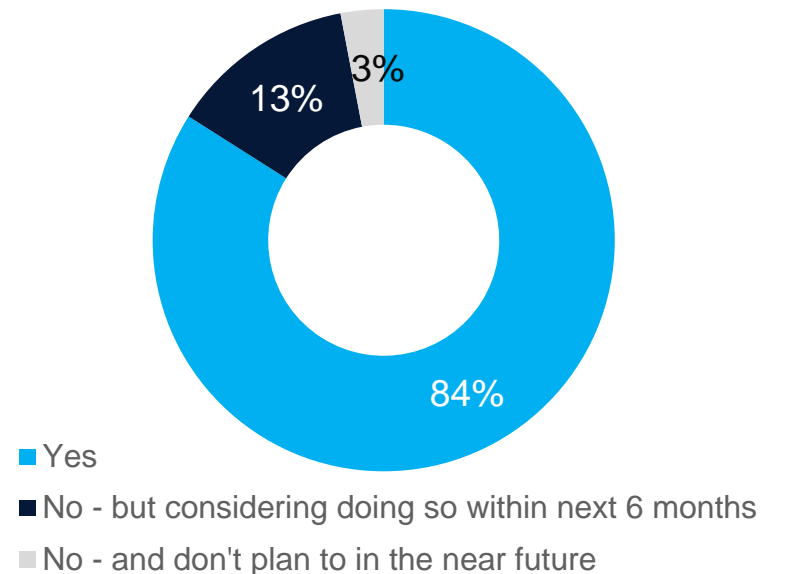


77%

of restaurant decision makers currently work with an insurance agent to manage insurance needs

Policy Review In Past 6 Months

(Shown: % Select)



Q27a. Which of the following types of insurance and/or financial services do you currently have for your restaurant and/or its employees? Please select all that apply. Base: Restaurant Decision Makers (Total n=500)

Q27b. Do you work with an insurance agent to manage your insurance needs (for example property insurance, liability insurance, etc.)? Base: Restaurant Decision Makers who have insurance (Total n=484)

Q28. Thinking about your current insurance coverage, have you reviewed any of the policies in the past 6 months? Base: Restaurant Decision Makers who have insurance (Total n=484)

9 in 10 restaurant decision makers have or plan to contact their insurance agent in the next 6 months to discuss coverage

A similar percentage also have already looked or will look for ways to save on premiums for their existing policies.

Actions Taken / Planned to Regarding Insurance Policies <i>(Shown: % Selected)</i>	NET Done/Plan to Do	Done in Past 6 Months	Plan to Do in Next 6 Months
Contact my insurance agent to discuss my coverage^	91%	53%	38%
Look for ways to save money on my premiums with my existing policies	86%	46%	40%
Review my insurance policies online	86%	48%	38%
Increase coverage/limits on my existing policies	77%	38%	39%
Add another type of coverage to my policy	77%	35%	42%
Decrease coverage/limits on my existing policies	58%	26%	32%
Remove a type of coverage from my policy	55%	25%	30%
Switch to a new insurance agent^	49%	28%	22%

Q29. Which, if any, of the following actions have you taken regarding your insurance policies within the past 6 months or plan to take within the next 6 months? Please select one per row.

Base: Restaurant Decision Makers who have insurance (Total n=484)

^Asked only to those who currently work with an insurance agent (n=374)



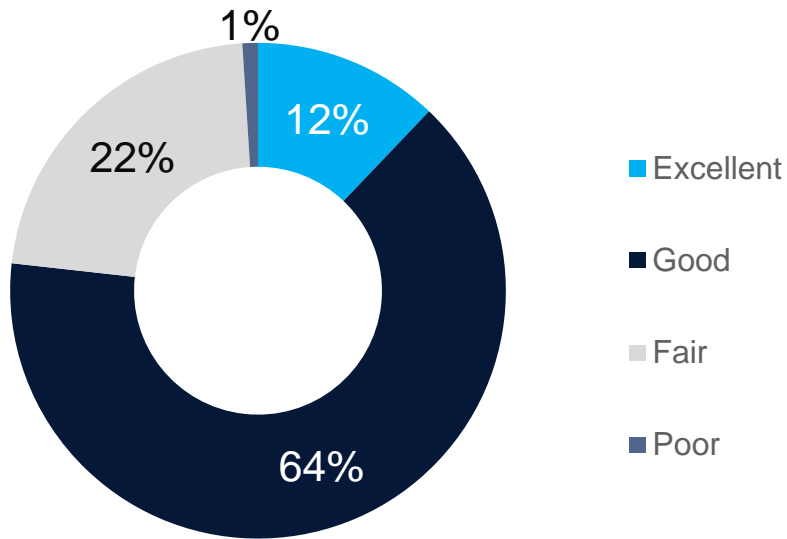
Nationwide®

Restaurant Patrons

Overall, most restaurant patrons are satisfied with their experiences

Among those who have had fair or poor experiences, many attribute their disappointment to price increases, a lack of quality, or staff shortages.

Overall Rating of Experiences at Restaurants
(Shown: % Select)



NET: Good + Excellent: **77%**

Reasons for Rating
(Shown: Coded open-ends)

Excellent/Good	Fair/Poor
<p>"I have been satisfied with the quality of food and service at all the restaurants I have visited."</p>	<p>"The quality and quantity has gone down and prices increased."</p>
<p>"Majority of the time my restaurant experience is good because food ordered tastes great, time to prepare is reasonable and customer service is great."</p>	<p>"...restaurants have found ways to deal with rising costs by raising prices, lessening portion sizes and lesser quality ingredients."</p>
<p>"Restaurants where I live employ people I know or down to earth people who care about the experience and quality of food."</p>	<p>"Many restaurants are short staffed, so the service is not as good as it once was."</p>

Q30a. On average, how would you rate your experiences at restaurants today? Base: Restaurant Patrons (Total n=1,000)

Q30b. You rated your experiences at restaurants today as "good" or "excellent", on average. Why do you say that? Base: Patrons who rated experiences as good or excellent (Total n=766)

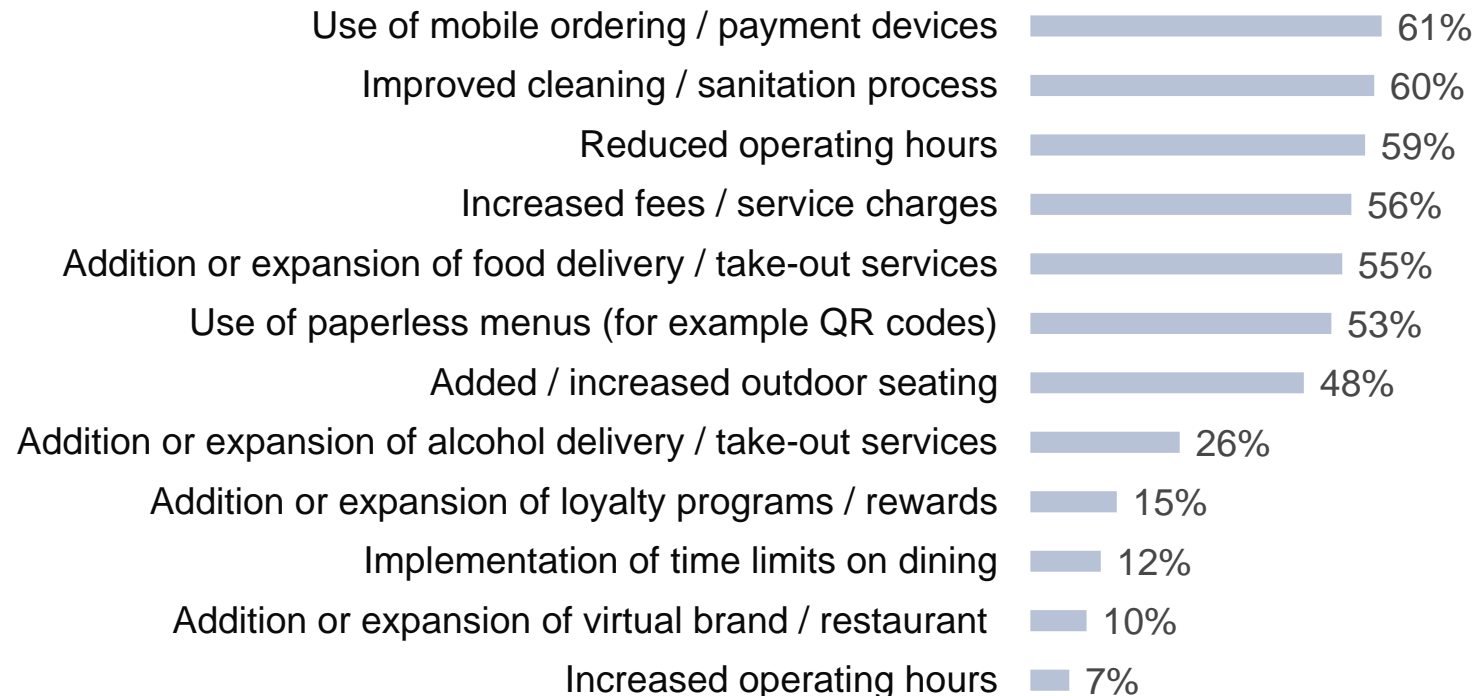
Q30c. You rated your experiences at restaurants today as "poor" or "fair", on average. Why do you say that? Base: Patrons who rated their experiences as poor or fair (Total n=234)

The most common changes seen by patrons since the pandemic began include implementation of mobile ordering and payment devices, improved cleaning practices, and reduced operating hours

These align with the top changes cited by restaurant decision makers. Additional changes experienced by customers include increased fees or service charges, new delivery or takeout services, and the use of paperless menus.

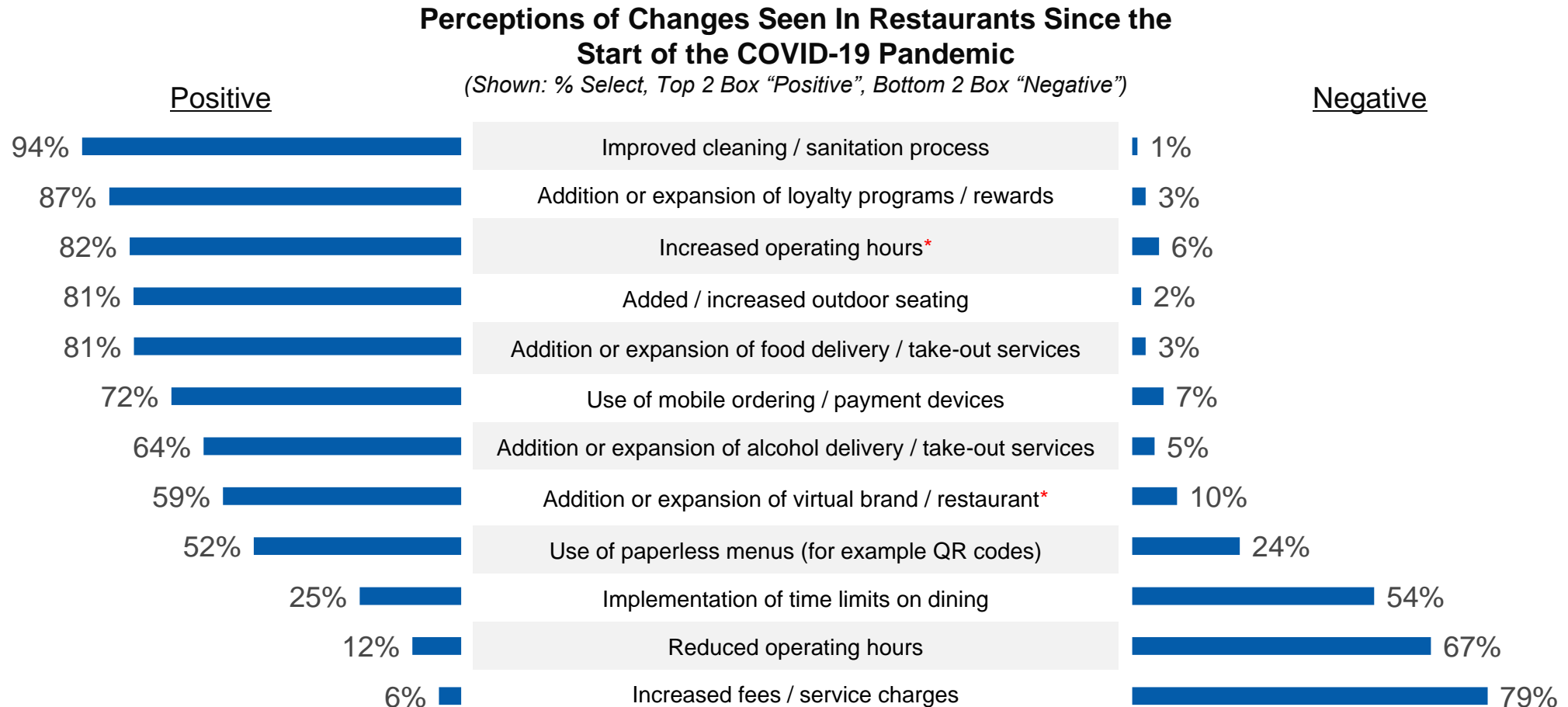
Restaurant Changes Observed Since the Start of the Pandemic

(Shown: % Select)



Patrons feel positively about most of the changes made since the pandemic began

However, over half are dissatisfied with the increased fees / service charges, reductions in operating hours, and the implementation of time limits on dining that they have experienced.



Q32. How do you feel about the following changes you have seen restaurants make since the start of the COVID-19 pandemic? Please select one per row.
Base: Restaurant Patrons who have seen changes at restaurants since the start of the COVID-19 pandemic (varying base sizes per answer option)

*Small sample size, directional findings only

Despite overall satisfaction, patrons see aspects of the restaurant experience getting worse since the pandemic began – particularly pricing and hours of operation

While most feel cleanliness has improved, several other factors have either worsened or remained the same. For example, roughly 8 in 10 patrons agree prices or fees have increased since the start of the pandemic, and over a third say hours of operation (54%), quality of service (38%), portion sizes (38%) and restaurant capacity (38%) have also worsened.

Changes in Restaurant Experience Since the Pandemic

(Shown: % Select, Top 2 Box “Better”, Bottom 2 Box “Worse”)

	Better	No change	Worse
Restaurant cleanliness / sanitation	67%	25%	8%
Delivery / take-out wait times	27%	42%	31%
Restaurant capacity	24%	39%	37%
Quality of service	23%	39%	38%
Menu options	20%	46%	34%
Quality of food	20%	59%	22%
Order accuracy	18%	56%	26%
Hours of operation	15%	31%	54%
Pressure to tip	12%	53%	36%
Portion sizes	11%	52%	38%
Prices / fees	8%	12%	81%

41% Rural

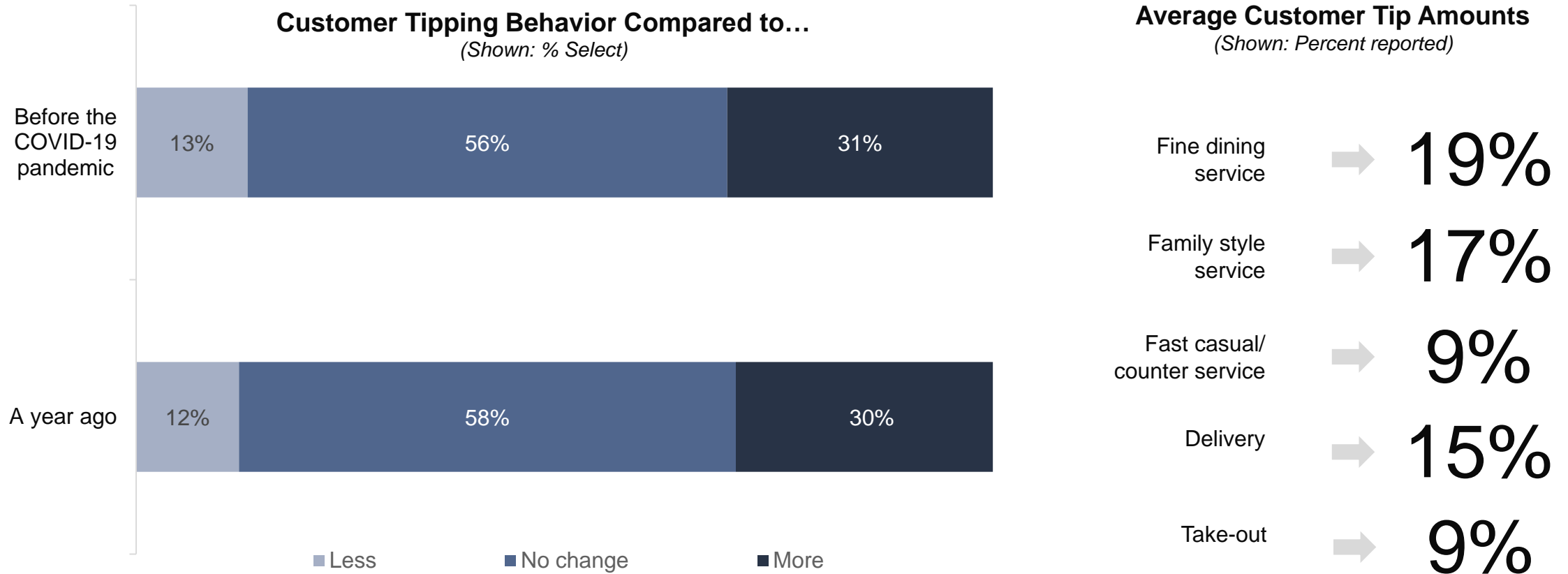
63% Rural

Q33. Thinking about your restaurant experiences, how have the following changed since the beginning of the COVID-19 pandemic? Please select one per row.

Base: Restaurant Patrons (Total n=1,000, Rural n=198)

Few report tipping less amid rising prices and pandemic disruption

On average, patrons report a 19% tip as appropriate for fine dining service, 15% for delivery, and 9% for takeout.



Q38. Thinking about your restaurant experiences, are you tipping more or less today compared to...?

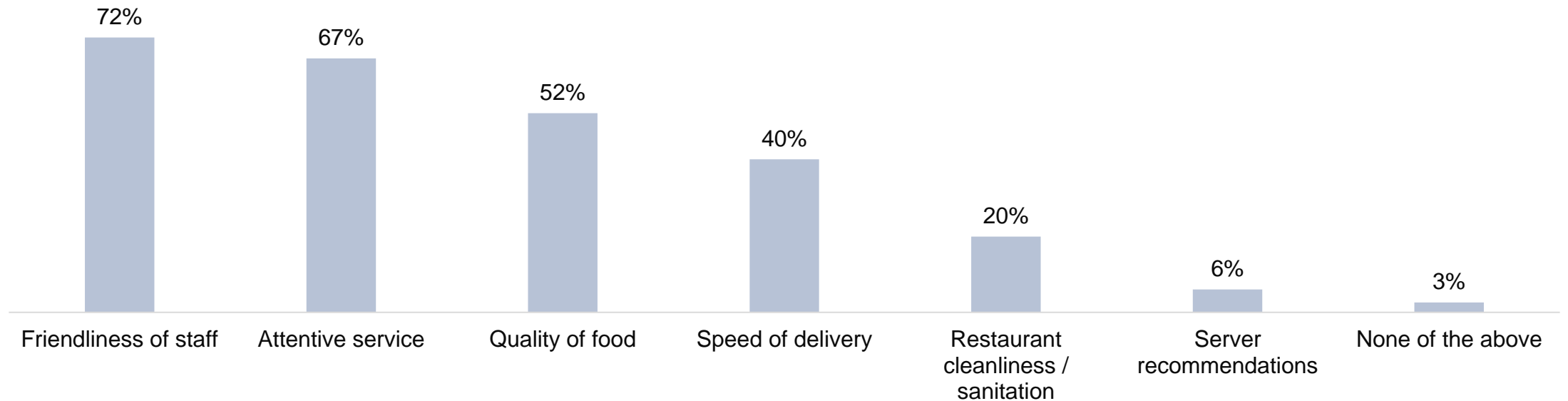
Q39. How much do you feel you should tip for the following types of restaurant services? Please input a percentage between 0 and 100 for each option.

Base: Restaurant Patrons (Total n=1,000)

Staff friendliness and service quality are the primary influencers of how much or little restaurant patrons tip

Second-order influences include food quality and efficiency of delivery. Just 20% say restaurant cleanliness influences their tipping.

Primary Influencers of Tipping Amount
(Shown: % Select)



Q40. Which of the following, if any, have the biggest influence on the amount you tip for restaurant service?
Base: Restaurant Patrons (Total n=1,000, Rural n=198, Urban n=255, Boomer n=387, Gen X n=257, Millennial n=270)