



Restaurants  
Canada  
Research



RESEARCH

# Restaurant Outlook Survey

Q3 2019





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## Executive Summary

- For a third consecutive quarter, the share of foodservice operators that saw lower same-store sales exceeded the share that saw higher sales.
- 29% of foodservice operators in Canada reported higher same-store sales in Q3; 35% posted lower same-store sales.
- Despite growing fears of an economic slowdown or a possible recession, 46% of respondents are optimistic about the next 12 months, down slightly from 48% in Q2.
- Labour issues remain the top challenge for operators. Eight in 10 respondents said high labour costs were having a negative impact on their business, and 59% reported labour shortages.
- On average, restaurant operators are planning to raise menu prices by 3.2% over the next 12 months.
- Eight in 10 restaurant operators said that environmental sustainability is important to the success of their business. Nearly 40% of respondents said they will invest more over the next three years to make their operations more environmentally sustainable.
- Menus are evolving to meet consumer demands. Many restaurants have recently expanded or are planning to expand their menus to include new appetizers (54%), healthier menu items (53%), and locally sourced foods (41%).
- The most common food trends requested by restaurant patrons include items that are gluten-free (79%), vegetarian (66%) and vegan (61%).
- Nearly six in 10 restaurants in Canada offer plant-based alternatives on their menu.
- Technology continues to influence the foodservice industry. 76% of quick-service restaurants offer online ordering or an app for takeout and delivery, while 40% of table-service restaurants offer electronic reservations.
- Just 4% of respondents currently have a ghost kitchen, but another 17% are looking to expand their businesses into ghost kitchens over the next two years.

## Quick-service restaurants are rapidly recovering from a weak Q1 and Q2 for foodservice – are they the outlier or the vanguard?

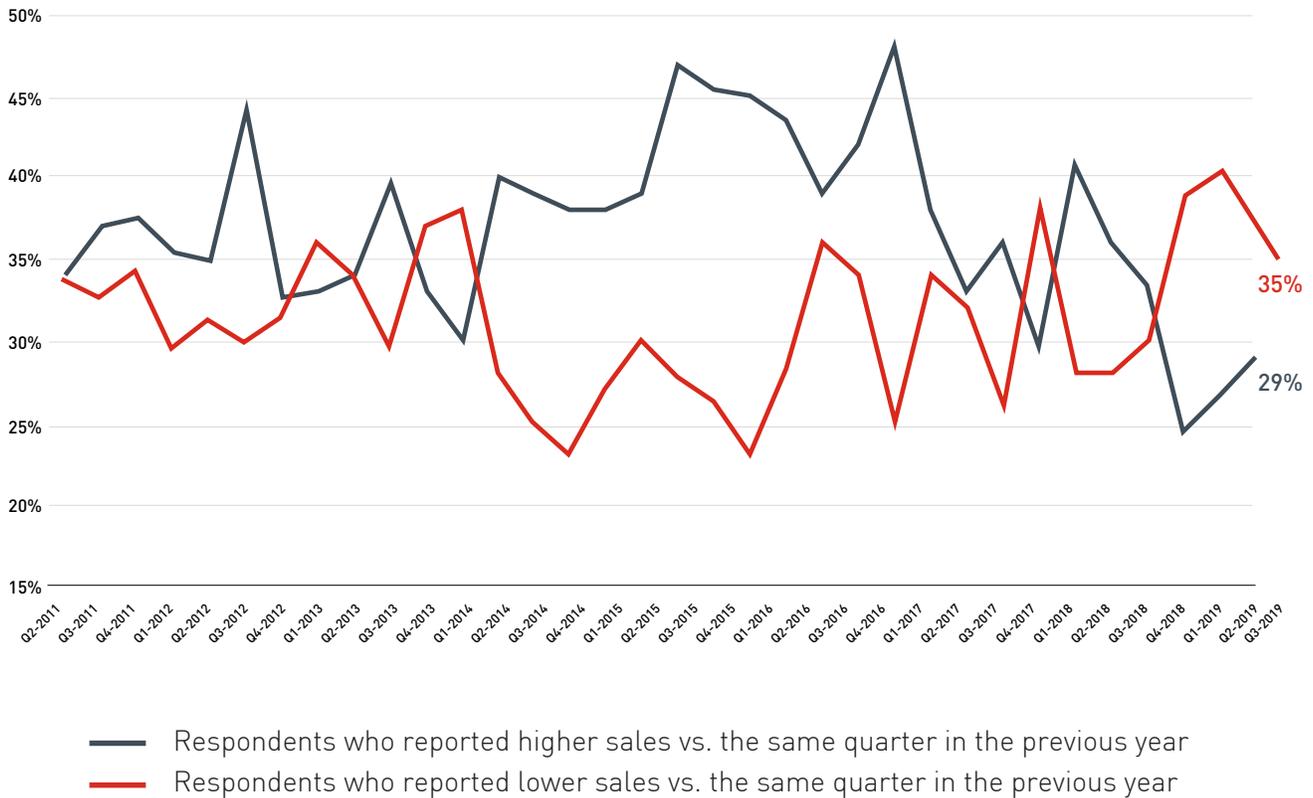
In the Q2 Restaurant Outlook Survey, we described the first half of 2019 as “challenging.” The gap between the share of operators reporting lower same-store sales and those with higher sales remained wide across both quarters. The peak came in Q2, with 40% of respondents reporting lower sales versus Q2 2018, and 27% reporting higher sales.

That gap narrowed in the third quarter of 2019, but the challenge continues. A larger share of restaurants (35%) still saw lower same-store sales on a year-over-year basis compared to those that reported higher sales (29%).

So, despite the overall improvement, foodservice completed an unfortunate hat-trick last quarter. Q3 marks the third consecutive quarter where the share of foodservice operators that saw lower same-store sales exceeded the share that saw higher sales. Optimism still outweighs pessimism in the industry, as we’ll address later, but that gap is narrowing, too.

**In the first half of 2019, the share of restaurant operators reporting lower same-store sales jumped to its highest level since Restaurants Canada began the Restaurant Outlook Survey in 2011.**

The share of restaurant operators reporting higher same-store sales rose to 29% in Q3 2019.



Quick-service restaurants were the clear winners at the segment level: 48% of respondents reported higher same-store sales, up dramatically from 32% in Q2. In contrast, just 22% of respondents posted lower same-store sales in Q3, compared to 39% in Q2.

Table-service restaurants also reported a modest gain, with the share of respondents reporting lower same-store sales improving from 43% in Q2 to 38% in Q3.

In the 'all other foodservice' category – which includes foodservice options at hotels and other accommodations, institutions, and clubs and drinking establishments – 37% saw lower same-store sales in Q3. That total is up slightly from 34% in Q2.

Data from Statistics Canada showed foodservice sales at the unit level were essentially flat in the first half of 2019, once adjusted for menu inflation, backing up our survey results. At the time, the weak performance was chalked up to inclement weather – specifically colder temperatures in the winter months and a delayed spring.

But, warmer weather didn't heat up foodservice sales in July. In fact, Statistics Canada reported commercial foodservice sales year-over-year growth of just 2.3% in July and 3.0% in August 2019. The July result represents the weakest monthly increase since December 2013. So much for blaming Mother Nature.

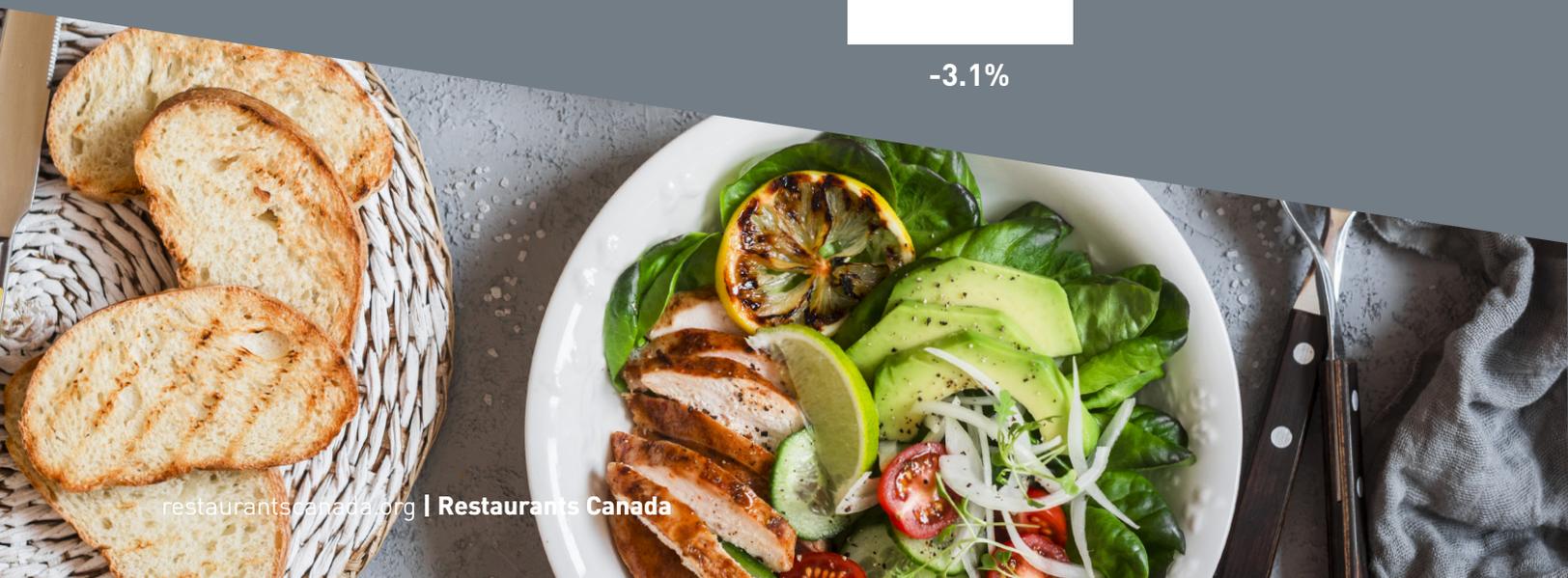
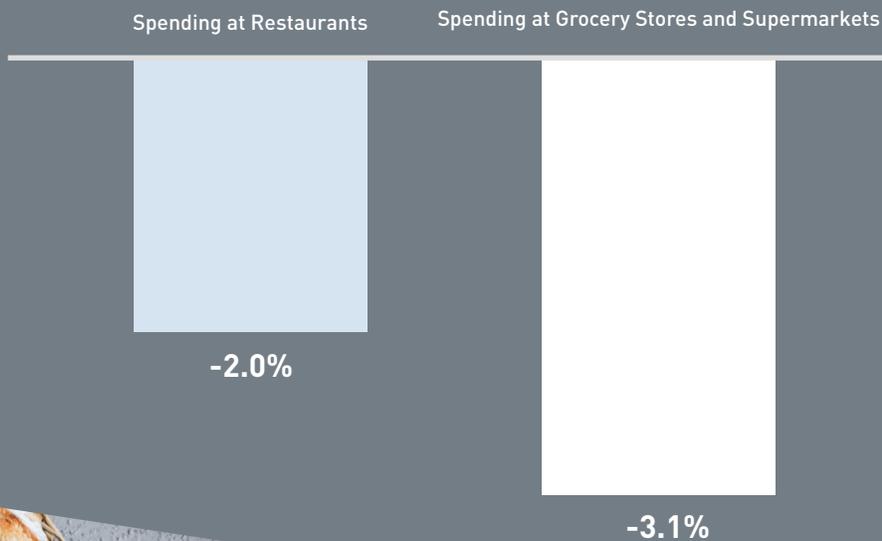
# Is the moderation in consumer retail spending spilling over into the foodservice industry?

Since we can't hold the weather responsible, we must look at the broader economic picture. Indeed, these have been difficult times the past nine months as retailers and restaurants fight for every consumer dollar. Adjusted for seasonality and inflation, real spending at restaurants slipped 2.0%, and at retail grocery stores and supermarkets by 3.1% between December 2018 and August 2019.

The weaker spending likely reflects strained household finances. A recent study by BDO Canada Ltd found that 52% of Canadian households live from paycheque to paycheque. The survey also found that one-third of Canadians have no retirement savings. These financial pressures have led many households to cut back on discretionary spending. During the third quarter, consumer confidence continued its downward trajectory due to growing fears about a possible recession and increased concerns about personal financial security.

## Real Sales Growth Between December 2018 and August 2019\*

\*Data adjusted for seasonality  
Source: Statistics Canada



## Most operators remain optimistic, but confidence is showing signs of erosion, especially in the West

Although the first three quarters of 2019 were disappointing for many restaurant operators, the share of respondents that feel optimistic continues to outnumber those feeling pessimistic. Still, the “glass half full” crowd slipped slightly in number from 48% in Q2 to 46% in Q3. Overall, 10% of respondents are feeling “very” optimistic about the next 12 months, down just a tick from 11% last quarter, and are confidently shrugging off some of the negative news. Another 36% list themselves as “somewhat” optimistic.

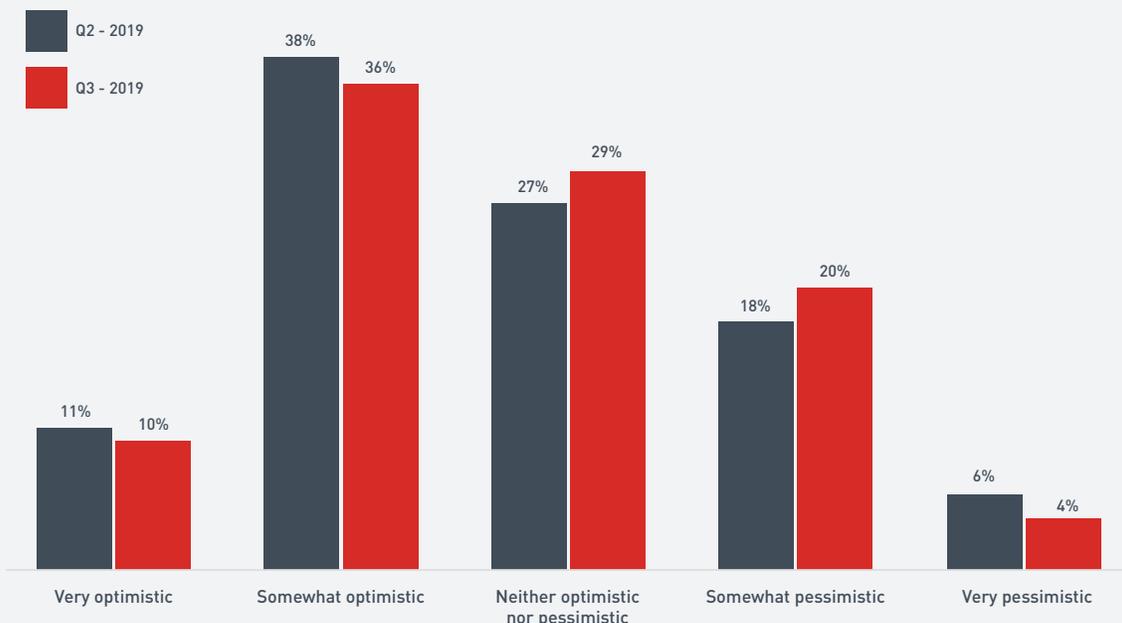
Those feeling optimistic cite the quality of their guest experience and staff as reasons they believe they will weather any economic downturn. In our Q4 2018 Survey, 62% of respondents said they were planning to invest in improving the guest

experience, and 51% intended to improve their staff training. Evidently, those operators are starting to see dividends.

Others are planning promotions to lure in guests. Many respondents experienced solid sales growth this year, and have programs and improvements upcoming to keep the momentum going in the months ahead.

In contrast, 24% of respondents are feeling pessimistic about the next 12 months — relatively unchanged the past two quarters. These respondents point to slower economic growth and federal and provincial political uncertainty. The recent election of a minority government in Ottawa will do little to quell those feelings.

### How optimistic are you about your foodservice operation over the next 12 months compared to the previous 12 months?



One of the biggest pain points for operators right now is finding and retaining workers. As will be seen in the next section, labour shortages remain one of the biggest challenges facing the foodservice industry.

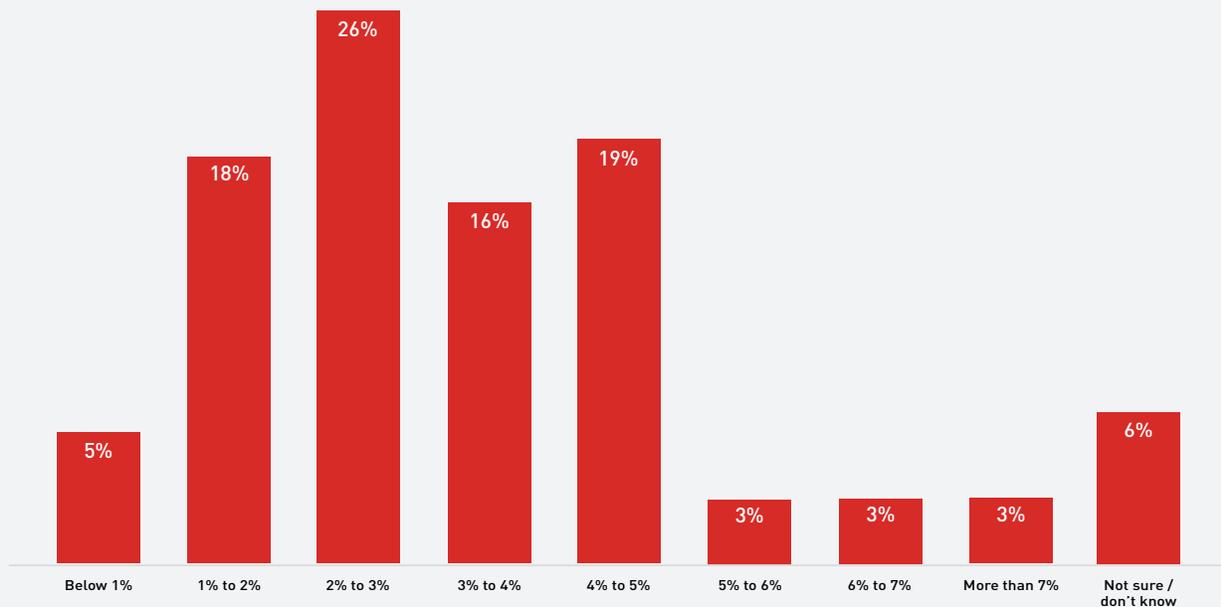
At a provincial level, the mood in Alberta is the most sombre; 40% of respondents are feeling pessimistic versus 30% feeling optimistic. Sluggish economic activity and rising labour costs continue to dampen operators' outlook for the future.

Broken down by segment, quick-service restaurants are the most upbeat, with 52% saying they are optimistic about the next 12 months. Not far behind are 'all other foodservice' at 49%, and table-service restaurants at 44%.

Nearly three in 10 operators are feeling neither optimistic nor pessimistic, perhaps taking a 'wait-and-see' approach given the high level of economic uncertainty and growing fears of a possible recession.

## Menu prices will continue to rise

Over the next 12 months, do you expect your menu price increase on a year-over-year basis to be:



According to Statistics Canada, menu inflation averaged 2.8% in the first nine months of 2019, compared to 4.2% in 2018. Despite rising expenses, operators are hesitant to pass too much of these costs on to cash-strapped guests. By segment, menu inflation in the first nine months of 2019 was 3.8% at quick-service restaurants compared to 2.3% at full-service restaurants.

Operators tell us they are planning to raise menu prices by an average of 3.2% over the next 12 months. This bump is relatively unchanged from Q2. Over the next 12 months, menu prices are forecast to rise by an average of 3.3% at quick-service restaurants and 3.1% at table-service restaurants. Menu prices in the 'all other foodservice' category are expected to increase by 3.2%.

## Few changes in list of financial pain points from Q2 to Q3; labour and food costs still lead the way

Labour costs remain the top concern for eight in 10 foodservice operators. The cost of finding and retaining staff, and recent increases in the minimum wage are all having an impact. Average weekly earnings for foodservice workers rose by 3.0% in the first seven months of 2019, on the heels of a 5.3% jump in average earnings in 2018.

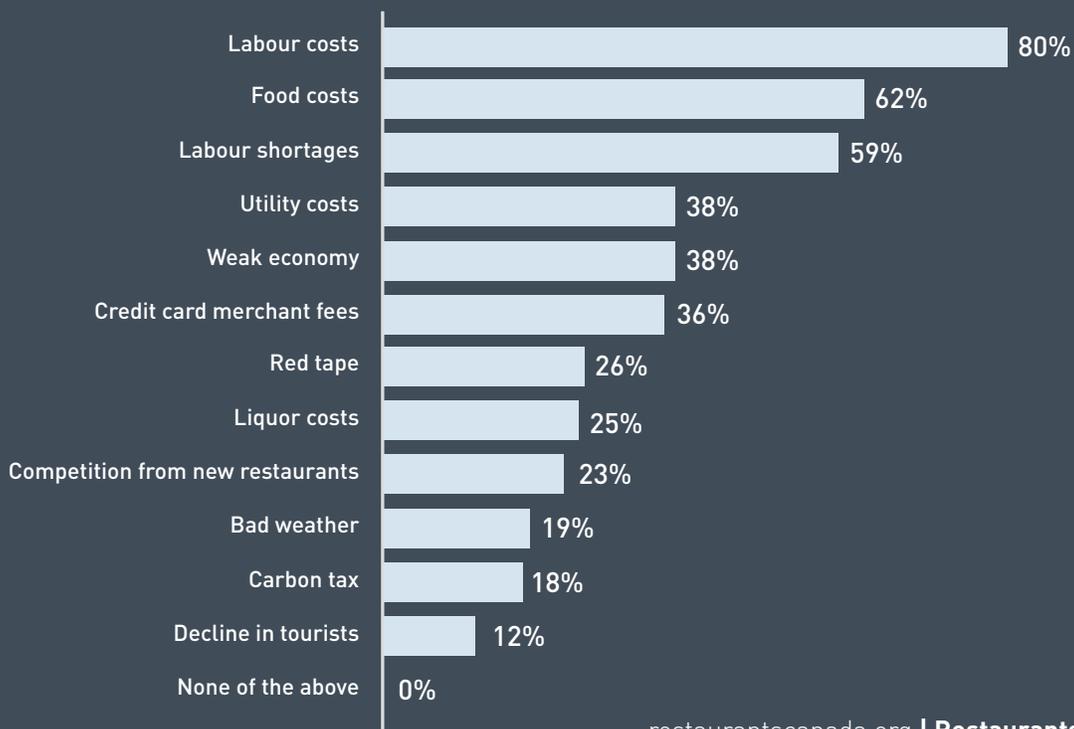
For 62% of respondents, food costs are currently having a negative impact on their foodservice business. That's not surprising since food inflation has accelerated throughout 2019. Based on the overall consumer price index, households paid 4.1% more for food at grocery stores in Q3 2019 versus Q3 2018. That's a bit of a shock,

following as it did relatively little food inflation in 2018.

Prices for several grocery items experienced significant increases in Q3 2019 compared to Q3 2018, including fresh vegetables (+15.4%), chicken (+7.5%), butter (+6.2%) and fish (+6.1%).

In Q2, 33% of restaurants pointed out that growing competition from new restaurants was having a negative impact on their business. This number slipped to 23% in Q3, almost exactly where it was in Q1. It may simply be that other concerns have increased in importance. This factor bears watching to see if a trend unfolds.

### What factors, if any, are currently having a negative impact on your foodservice business?



## Having trouble finding help? You're not alone - where have all the workers gone?

Labour shortages are having a negative impact on nearly six in 10 restaurant operators. That was a predictable result, given the number of job vacancies in the foodservice industry jumped by 7.5% to a record high of 63,800 in Q3. The largest quantities of vacancies are in Ontario (19,050 positions) and British Columbia (15,245 positions). Meanwhile, the number of job vacancies continues to climb in Quebec, Nova Scotia and Manitoba. Despite a struggling economy, an economic situation that often results in more job-seekers testing the foodservice waters, job vacancies in Alberta's foodservice industry jumped by 23.5% to 8,570 in Q3.

The reason for the labour shortage is two-fold. Firstly, the Canadian job market has been incredibly hot, with the creation of 358,000 jobs in the first nine months of 2019. Many of those are full-time positions, with Ontario leading the way. The unemployment rate dropped to a near generational-low of 5.5%, making it more competitive for companies to find staff.

Secondly, the youth participation rate remains below where it was in the 2000s, shrinking the pool of available workers even further.

Overall, there are signs the tide may be reversing. Statistics Canada reported foodservice and accommodation employment increased by 23,000 jobs in September. Perhaps the Q4 2019 Survey results will tell a different tale?

Interestingly, the share of operators that reported a weak economy had a negative impact on their business was relatively unchanged at 38% in Q3 2019. While a recession remains a possibility in the next 12 months, the major banks are forecasting modest real GDP growth in the second half of 2019. Economic activity will pick up slightly in 2020, with real GDP forecast to grow by 1.6% versus 1.5% in 2015. Nevertheless, a variety of internal and external headwinds could lead to weaker-than-expected economic growth (or a recession), which would lead consumers to cut back their discretionary spending on foodservice.

# 5 innovative strategies to help your business diversify and thrive

Given the slowdown in sales, this edition of the Restaurant Outlook Survey looks at ways that foodservice owners can diversify their business and put themselves in a position to thrive in the coming years.

## 1. Be seen going green

Canadians care about climate change. A survey conducted this year by Abacus Data on climate change found 83% of us are quite, very, or extremely concerned about it. We saw that it was a key issue in the recent federal election, at least as important as the economy, if not more so.

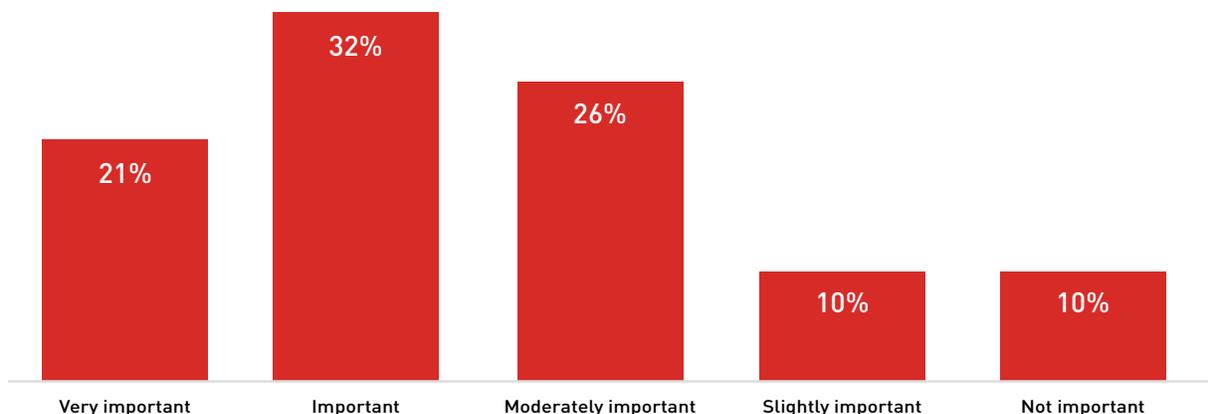
So, it's not surprising that guests are increasingly patronizing restaurants they see as environmentally responsible. Small wonder that eight in 10 restaurant owners agree environmental sustainability is important to the success of their business, unchanged from the Q3 2018 survey. Some operators observed that their customers were happy with the environmental choices and changes they were making and tell us it will have an impact on their business decision-making moving forward.

**As one operator noted, environmental responsibility is now part of doing business in 2020 and beyond.**

Many restaurants with seafood on the menu rank environmental sustainability as very important. These operators are acutely aware of the need to use sustainable seafood and are concerned about how climate change is impacting oceans.

Others have taken steps by reducing or eliminating single-use items, moving towards sustainable packaging. While guests are expecting restaurants to be more environmentally sustainable, it doesn't always work. When one operator made a change by eliminating paper straws, there was pushback by guests.

### How important is environmental sustainability to the success of your business?



## Environmentalism is not just an emotional issue - going green can positively impact your bottom line.

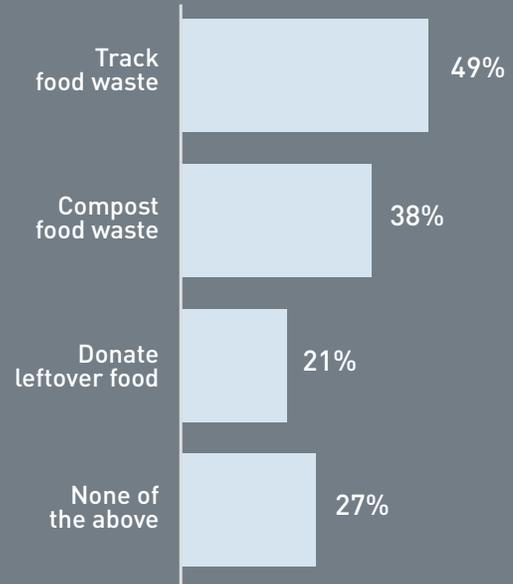
As some respondents pointed out, going green is not only the right thing to do for the planet, but it also helped them save money on utility costs and other expenses. With utility costs making the top 5 on the list of negative impacts in each of the 2019 Surveys, this is a tangible reason to make eco-friendly changes.

Another area where operators can do their part for the environment and be more cost-effective is managing food waste. Nearly half of respondents (49%) are tracking their food waste, and 38% compost it. One in five respondents donates leftover food – a share that is similar to data from the National Restaurant Association in the United States.

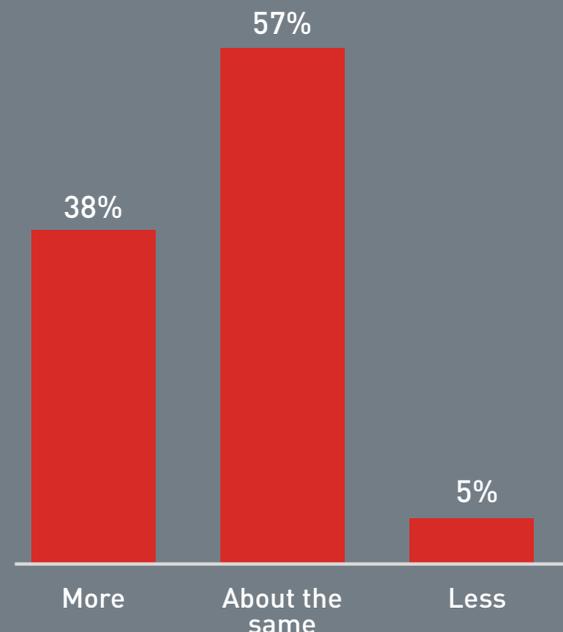
Although 27% said ‘none of the above’ (meaning they do not track or compost food waste, or donate leftovers), many of these respondents try to minimize food waste or have very little food waste in the first place.

Looking ahead, 38% of respondents said they will be investing more over the next three years to make their operations more environmentally sustainable. Only 5% will invest less. These numbers have shifted slightly since this question was asked in the Q3 2018 Restaurant Outlook Survey when 32% planned to invest more over the next three years, while 8% planned to reduce their investment in environmental sustainability. It appears as though this is a trend on the rise.

### In managing food waste, does your foodservice operation do the following?



### Compared to last year, foodservice establishments will tend to invest about the same over the next three years in making operations more environmentally sustainable.



## 2. Evolve your menu to meet shifting customer desires and demands

Operators need to change their menus from time to time to stay relevant and reflect changing food trends and taste buds of customers. It also keeps your bill of fare from stagnating, making return visits more interesting for your guests as well.

One of the most significant changes operators are making to their menus is adding new appetizers, although this varied significantly by segment. Appetizers provide restaurants with an opportunity to explore new and unique flavours and ingredients. Due to the lower price, guests are more likely to sample these dishes compared to a main entrée. Appetizers are also part of a larger trend of guests seeking smaller portion sizes, wanting to share and sample, eat on-the-go, and spend less money, too.

A study of Canadians by Mintel in 2017 found that 80% of women and 72% of men try to

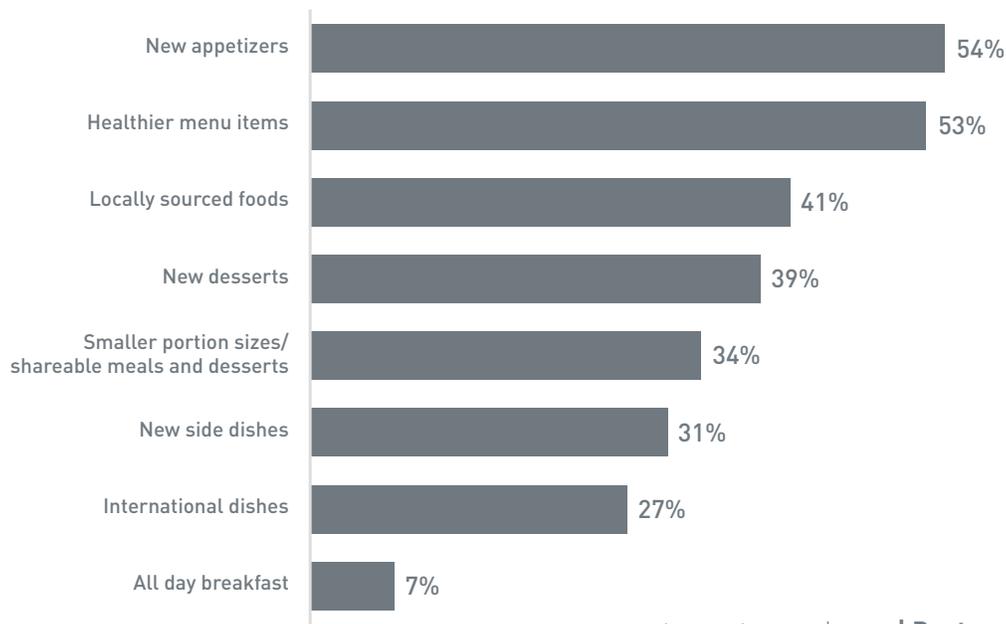
eat healthy. While many guests choose to order items on the menu as an indulgence, operators are also adding menu items to appeal to those guests wanting healthier options. As a result, we see more plant-based options and meatless mains and side dishes.

Other restaurants are adding menu items that reflect the latest food trends, such as the ketogenic diet, which is a very low-carb, high-fat diet. There is a real opportunity to shift perceptions of dining out and reach consumers who think eating healthy is only possible at home.

Other restaurants are including more locally-sourced foods, which ties in nicely with the environmental sustainability movement.

Finally, several respondents reported that they have already made these changes and are offering many of the items listed in our survey question.

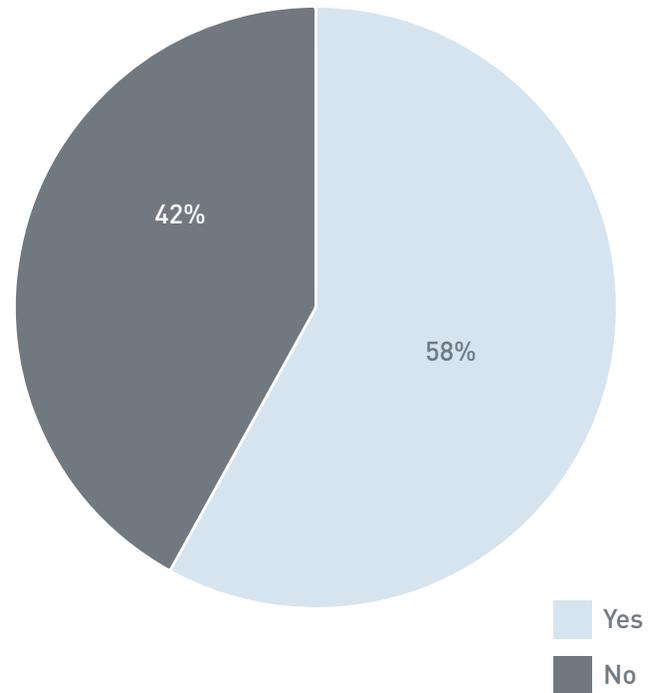
### Have you recently expanded, or are you planning to expand your menu to include any of the following offerings?



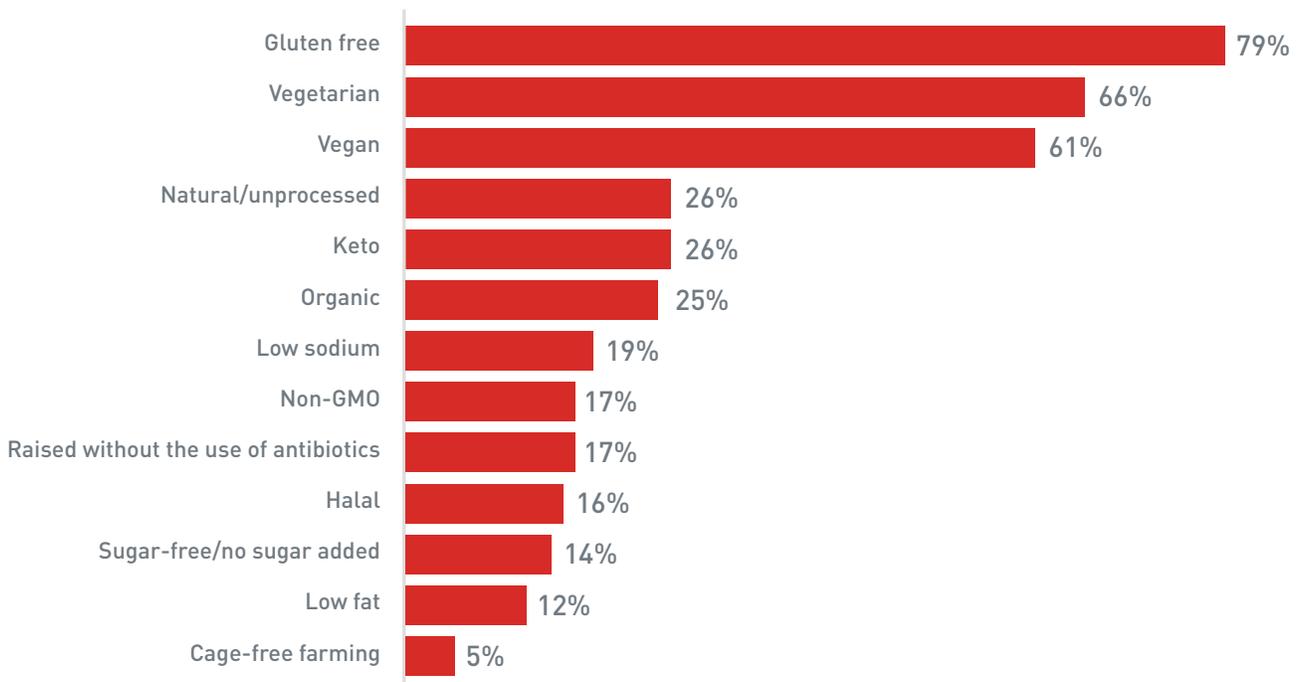
Operators are also listening to their guests and giving them what they want. Some of the items most requested by customers include gluten-free foods, vegetarian and vegan items, keto foods and foods that are natural and unprocessed.

With one in three Canadians considering reducing their meat consumption, plant-based foods are one of the hottest trends on restaurant menus right now. Nearly six in 10 restaurants said they currently offer plant-based alternatives on their menu — a statistic that was consistent across all segments. For those that don't presently offer this as an option, several are considering adding plant-based items to their menus. For other respondents, they have no plans to add plant-based items on their menus due to little interest from their guests.

**Does your restaurant currently offer plant-based alternatives on your menu?**



**Which of the following food trends are being requested by your guests?**



### 3. The time for a technology revolution is now

Foodservice consumers and staff are used to fully adopting the latest tech. Now it seems more foodservice owners realize properly implemented technology updates can help increase sales, improve service, and boost productivity.

One of the most popular ways restaurants are incorporating technology into their business is through online or app-based ordering for takeout and delivery. More than three-quarters of quick-service restaurants offer an app for takeout or delivery. Table-service restaurants are lagging at 36%, though that's up slightly since Q1. For a deeper dive into the data, download Restaurants Canada's Q1 2019 Restaurant Outlook Survey, which looked in detail at some of the benefits and challenges operators faced with third-party delivery apps.

Quick- and table-service restaurants' use of technology varied significantly in other ways as well. For example, quick-service

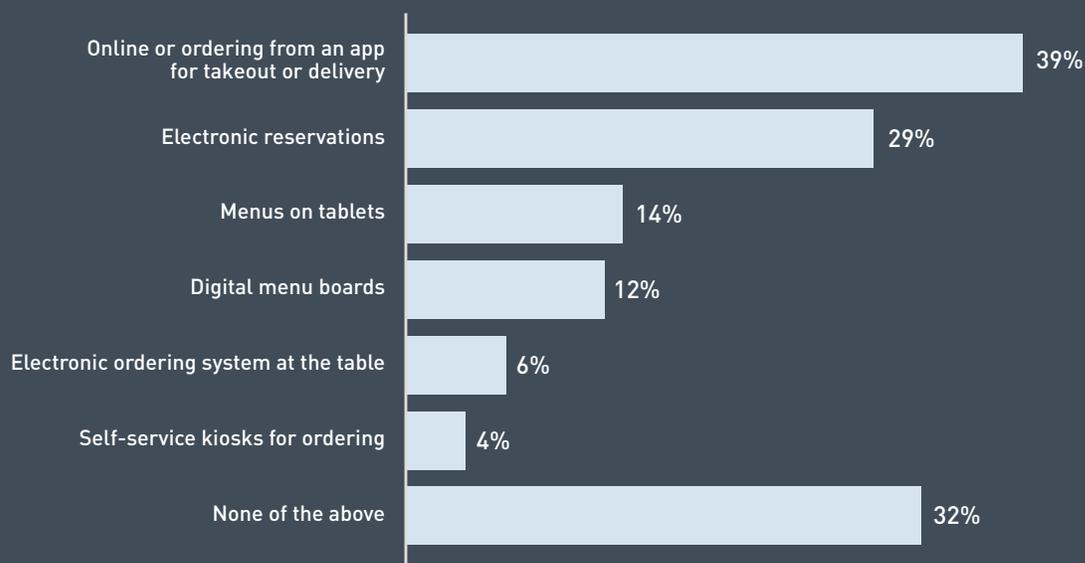
restaurants are more likely than table-service restaurants to use digital menu boards or self-service kiosks for ordering.

Not to be left out of the tech revolution, 40% of table-service restaurant operators use electronic reservations, and 18% have menus on tablets.

Interestingly, nearly one-third of restaurant operators do not use any of the above forms of technology. This reluctance could be due to the high commission fees of third-party delivery, or the high investment costs of adding technology into their businesses.

Technology is changing all the time, and as costs fall, it may make more economic sense for operators to add proven technology in the future. With looming labour shortages, restaurants may have no choice but to turn to technology to keep up with growing customer demand for speed and convenience.

#### Which of the following technology options do you currently offer your guests?



## 4. Ghost kitchens may be the spirit of restaurants yet to come

One factor which could radically change the business model of the foodservice industry is growth in so-called 'ghost kitchens' (also called 'dark kitchens'). These are virtual foodservice establishments with no storefront that focus entirely on delivery. According to our survey, restaurant operators have mixed feelings about the impact ghost kitchens will have on the restaurant business. Just 16% of operators believe this will be a positive factor for the foodservice industry.

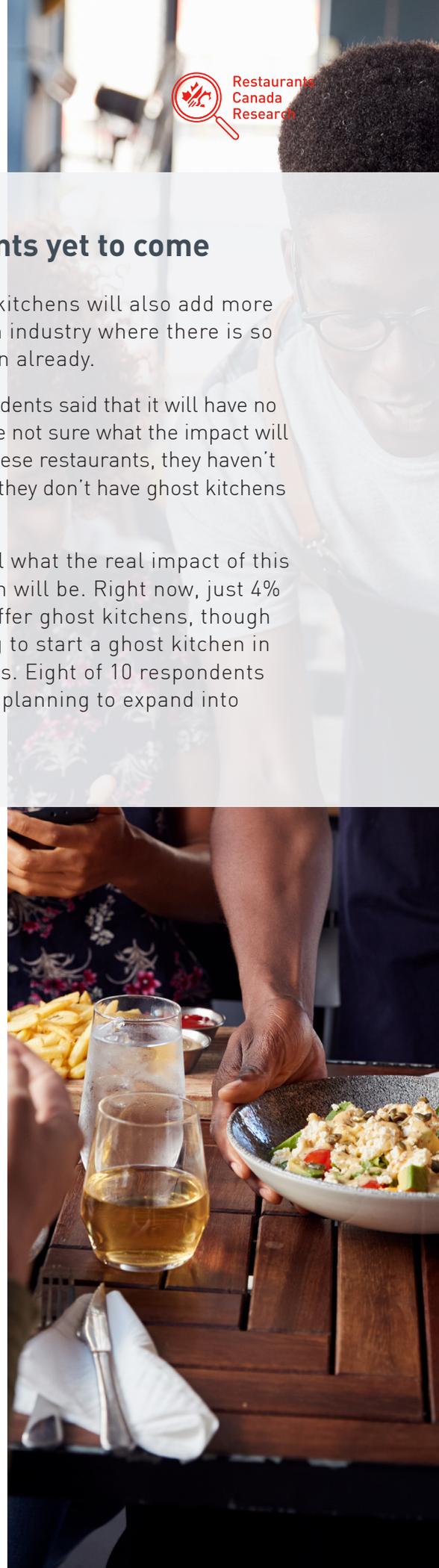
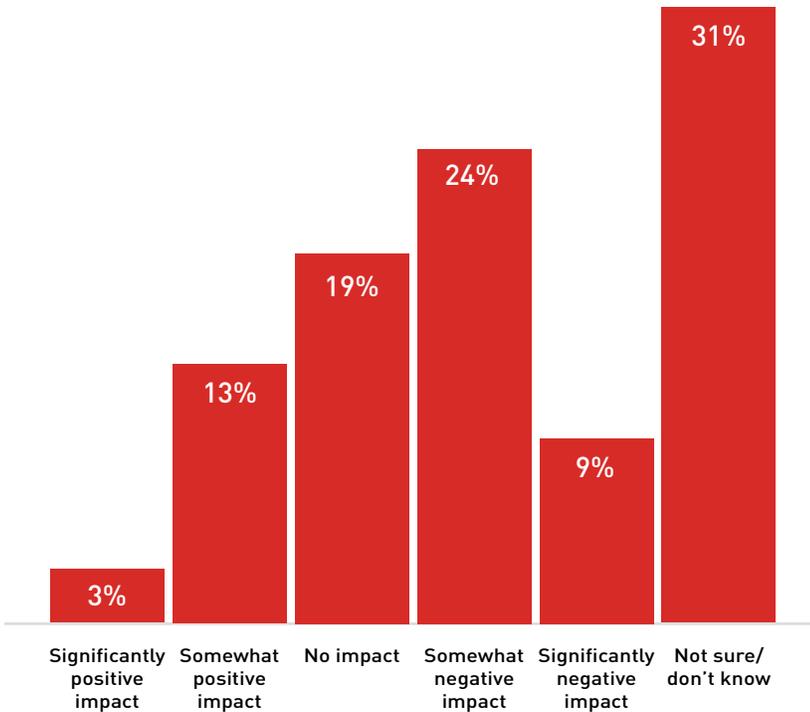
In contrast, 33% said ghost kitchens would hurt the foodservice industry. The biggest concern is that with low overhead, these businesses can offer value pricing traditional outlets will be hard-pressed

to match. Ghost kitchens will also add more competition in an industry where there is so much competition already.

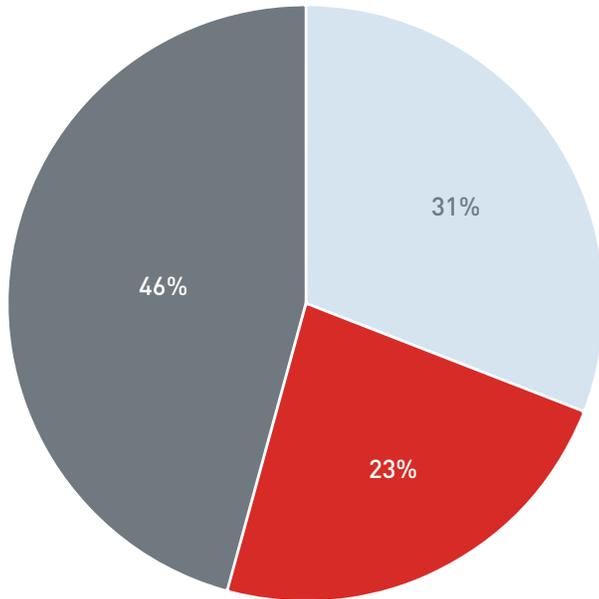
Half of our respondents said that it will have no impact, or they are not sure what the impact will be. For many of these restaurants, they haven't felt the effects as they don't have ghost kitchens in their area.

Only time will tell what the real impact of this radical innovation will be. Right now, just 4% of respondents offer ghost kitchens, though 17% are planning to start a ghost kitchen in the next two years. Eight of 10 respondents said they are not planning to expand into ghost kitchens.

### What type of impact do you feel the expansion of "ghost kitchens" will have on the overall foodservice industry?

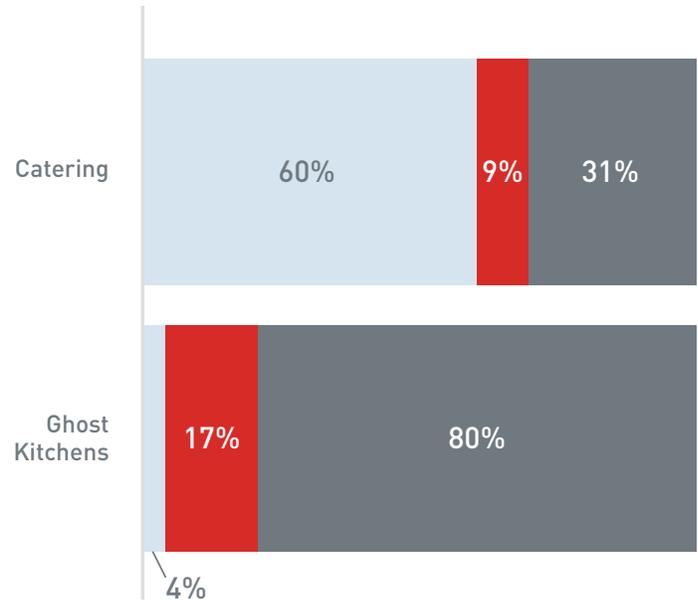


Are you currently retailing any take-home products outside your regular menu offerings?



- Yes
- No, but planning to
- No, and not planning to

Are you considering expanding your business in any of the following ways?



- We currently offer this
- We plan to offer this in the next two years
- We are not planning to expand into this

## 5. Expand your reach into new sectors

A 2019 study by IBISWorld of the Canadian catering industry revealed an annual growth rate of 3.3% since 2014. Projected total revenues for this year are \$1 billion. Overhead costs are lower than for all other foodservice categories, and profit margins are higher. Can you blame those operators who are looking for their slice of the catering pie? Currently, 60% of restaurants offer catering, with another 9% planning to expand into catering in the next two years.

Another area that offers a potential new source of revenue for restaurants is the expansion of

take-home products into a retail environment. This could include selling pre-packaged food, condiments and sauces, or beverages. If your business is known for a signature item or ingredient, your consumers may relish the chance to take some home for personal use. Not only is it a potential profit-maker, it's also a way to stay top-of-mind even when your customers choose to dine at home.

As of this survey, 31% of respondents offer take-home products, and 23% are planning to in the near future.

## Our thoughts on what lies ahead for the foodservice industry

With economic storm clouds on the horizon and slower consumer spending already taking place, operators will need to diversify and innovate to keep up with changes in consumer behaviour and technology. Ten years from now, the foodservice industry could look vastly different than it does today. In the same ways that technology disrupted the taxi and hotel industries, foodservice may undergo a radical shift as well. The rise of ghost restaurants represents one way this transformation might happen.

Plus, over the next few years, we will continue to witness the further blurring of the lines between retail and foodservice. Arguably, there may no longer be any lines left to blur. As retailers continue to expand into the “grocerant” space with prepared meals and snacks, so, too, are restaurants offering more food and snacks in the retail space.

No matter what the future holds, the operators that innovate and diversify will be the ones that thrive in the long run.



# Appendix

## 20 Restaurant Outlook Survey

What factors, if any, are currently having a negative impact on your foodservice business?  
(please select all that apply)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Labour costs	80%	78%	84%	74%
Food costs	62%	63%	60%	65%
Labour shortages	59%	46%	60%	63%
Weak economy	38%	33%	37%	43%
Utility costs (water, electricity, gas and heating)	38%	30%	42%	32%
Credit card merchant fees	36%	43%	39%	28%
Red tape (unnecessary government policies and regulations)	26%	22%	25%	31%
Liquor costs	25%	9%	29%	25%
Competition from new restaurants	23%	22%	26%	19%
Bad weather	19%	17%	19%	18%
Carbon tax	18%	15%	20%	16%
Decline in tourists	12%	4%	14%	11%
None of the above	0%	0%	0%	0%

In the third quarter of 2019, was your total sales volume (on a same-store basis) higher, lower, or about the same as it was in the third quarter of 2018?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Higher	29%	48%	26%	24%
About the same	36%	30%	36%	39%
Lower	35%	22%	38%	37%

How optimistic are you about your foodservice operation over the next 12 months compared to the previous 12 months?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Very optimistic	10%	11%	8%	14%
Somewhat optimistic	36%	41%	36%	35%
Neither optimistic nor pessimistic	29%	30%	30%	27%
Somewhat pessimistic	20%	15%	22%	20%
Very pessimistic	4%	2%	4%	4%

Over the next 12 months, do you expect your menu price increase on a year-over-year basis to be:

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Below 1%	5%	2%	5%	5%
1% to 2%	18%	20%	18%	17%
2% to 3%	26%	24%	26%	27%
3% to 4%	16%	13%	17%	15%
4% to 5%	19%	30%	17%	17%
5% to 6%	3%	4%	3%	3%
6% to 7%	3%	2%	2%	7%
More than 7%	3%	0%	3%	2%
Not sure / don't know	6%	4%	7%	5%

How important is environmental sustainability to the success of your business?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Very important	21%	20%	21%	23%
Important	32%	24%	33%	33%
Moderately important	26%	33%	26%	24%
Slightly important	10%	11%	9%	11%
Not important	10%	13%	11%	8%

In managing food waste, does your foodservice operation do the following?  
(Please, select all that apply)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Track food waste	49%	52%	51%	45%
Compost food waste	38%	32%	40%	37%
Donate leftover food	21%	39%	14%	26%
None of the above	27%	27%	26%	28%

Compared to last year, do you expect your foodservice establishment will invest more, less or about the same over the next three years in making your operations more environmentally sustainable?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
More	38%	56%	36%	33%
About the same	57%	44%	58%	63%
Less	5%	0%	6%	4%

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Have you recently expanded, or are you planning to expand your menu to include any of the following offerings? (please select all that apply)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
New appetizers	54%	29%	66%	40%
Healthier menu items	53%	49%	51%	60%
Locally sourced foods	41%	29%	42%	46%
New desserts	39%	29%	47%	24%
Smaller portion sizes/shareable meals and desserts	34%	24%	34%	39%
New side dishes	31%	27%	35%	23%
International dishes	27%	17%	24%	39%
All day breakfast	7%	15%	5%	9%

Which of the following food trends are being requested by your guests? (please select all that apply)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Gluten-free	79%	77%	82%	74%
Vegetarian	66%	63%	66%	67%
Vegan	61%	58%	60%	65%
Natural/unprocessed	26%	30%	24%	29%
Keto	26%	33%	25%	24%
Organic	25%	28%	24%	24%
Low sodium	19%	30%	16%	20%
Non-GMO	17%	30%	13%	18%
Raised without the use of antibiotics	17%	28%	15%	15%
Halal	16%	19%	14%	17%
Sugar-free/no sugar added	14%	21%	12%	17%
Low-fat	12%	16%	9%	18%
Cage-free farming	5%	2%	4%	9%

Does your restaurant currently offer plant-based alternatives on your menu?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Yes	58%	62%	57%	59%
No	42%	38%	43%	41%

Which of the following technology options do you currently offer your guests?  
(please select all that apply)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Online or ordering from an app for takeout or delivery	39%	76%	36%	22%
Electronic reservations	29%	4%	40%	15%
Menus on tables	14%	2%	18%	12%
Digital menu boards	12%	22%	9%	16%
Electronic ordering system at the table	6%	11%	6%	3%
Self-service kiosks for ordering	4%	7%	2%	5%
None of the above	32%	17%	30%	48%

What type of impact do you feel the expansion of “ghost kitchens” will have on the overall foodservice industry?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Significantly positive impact	3%	4%	2%	4%
Somewhat positive impact	13%	16%	12%	15%
No impact	19%	22%	19%	16%
Somewhat negative impact	24%	20%	25%	26%
Significantly negative impact	9%	9%	10%	8%
Not sure/don't know	31%	29%	33%	30%

Are you currently retailing any take-home products outside your regular menu offerings?  
(e.g. pre-packaged food, condiments, sauces)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Yes	31%	53%	28%	24%
No, but planning to	23%	27%	25%	18%
No, and not planning to	46%	20%	47%	58%

Are you considering expanding your business in any of the following ways?

Ghost Kitchens	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
We currently offer this	4%	9%	2%	5%
We plan to offer this in the next two years	17%	16%	18%	13%
We are not planning to expand into this	80%	75%	80%	82%

Catering	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
We currently offer this	60%	66%	57%	65%
We plan to offer this in the next two years	9%	18%	8%	7%
We are not planning to expand into this	31%	16%	35%	28%

\* Includes table-service restaurant and combination table-service restaurant and bar.

\*\* Includes accommodation, drinking places, institutions (e.g. health care, education) and managed service providers.

## **About the Restaurant Outlook Survey**

The results for the third quarter are compiled from responses to an email to foodservice operators inviting them to take an online survey. The survey was conducted in October 2019. In total, 467 completed surveys were submitted, representing 9,424 establishments.

Restaurants Canada encourages foodservice operators to participate in the Restaurant Outlook Survey to ensure results continue to be representative of our industry. Contact Chris Elliott at [celliott@restaurantscanada.org](mailto:celliott@restaurantscanada.org) to participate in the survey.

## **About Restaurants Canada**

Restaurants Canada (previously CRFA) is a growing community of 30,000 foodservice businesses, including restaurants, bars, caterers, institutions and suppliers. We connect our members from coast to coast, through services, research and advocacy for a strong and vibrant restaurant community. Canada's restaurant industry is an \$89 billion industry, directly employs 1.2 million Canadians, is the number one source of first jobs, and serves 22 million customers every day.



The voice of foodservice | La voix des services alimentaires

## For further information

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