



RESEARCH

Restaurant Outlook Survey

Q3 2020





Executive Summary

- Nine in 10 survey respondents posted lower same-store sales in Q3 2020 compared to Q3 2019.
- More than 90% respondents expect their lower total sales volume would be lower between September and November 2020 than in 2019.
- 44% of foodservice establishments were operating at loss at the end of August; another 25% were just breaking even.
- More than six in 10 respondents were offering beverage alcohol for takeout/delivery. The most popular alcohol item was a single can/bottle of beer.
- Of those offering beverage alcohol for takeout/delivery, 44% reported it had a positive impact on their business. Another 51% reported neither positive nor negative impact, while only 5% reported a negative impact.
- Menu prices are forecast to increase by 3.5% over the next 12 months, compared to 3.6% in Q2.
- The share of respondents feeling “very” or “somewhat” pessimistic about their business over the next 12 months increased to 69% in Q3, up from 59% in Q2.

In a typical year, the third quarter would mark the high point for the foodservice industry, as sales in July and August are normally 12% greater, on average, than the rest of the year. Monthly foodservice sales during the summer would normally be bolstered by patios filled with people enjoying good times with family and friends, and would also benefit from a spike in domestic and international tourist spending.

This year, however, is unlike any other year the foodservice industry has ever faced.

As you will see over the remainder of this report, while there was a modest improvement for some parts of the foodservice industry in Q3 compared to the unprecedented challenges of Q2, many owners continue to struggle. This is largely due to Canadians feeling uncomfortable eating indoors, a dramatic decline in international visitors, and profound economic uncertainty.

- A survey conducted by Angus Reid in September found that 65% of Canadians would dine indoors at a table-service restaurant, and just under half of Canadians would dine indoors at a quick-service restaurant. In contrast, 94% would get take-out from a restaurant and 76% would eat on a patio/outdoors at a table-service restaurant.
- In August 2020, there were 95,785 international visitors to Canada; in August 2019, there were more than 2.7 million. This represents a staggering 96% decline. Travel restrictions and concerns about airplanes kept domestic travelers from venturing too far away, as they explored smaller towns and/or the outdoors in their own province.
- Canada's economy continued to struggle in Q3. Sharply lower economic activity (on a year-over-year basis), a high unemployment rate and worries about job and financial security have significantly eroded consumer confidence. Foodservice establishments located in the downtown cores of many cities are among the hardest hit given the record number of Canadians working remotely at home.

This edition of the Restaurant Outlook Survey discusses how the industry performed in 2020 and what the expectations are for the next 12 months.

Warm Weather and Patios Fail to Ignite Foodservice Sales

Following an intensely difficult Q2 2020, the vast majority of foodservice operators saw little relief in Q3. Despite warmer weather, restaurant and bar patios being open, and a steady decline in the number of daily confirmed COVID-19 cases across the country, nine in 10 survey respondents still posted lower same-store sales in Q3 2020 compared to Q3 2019.

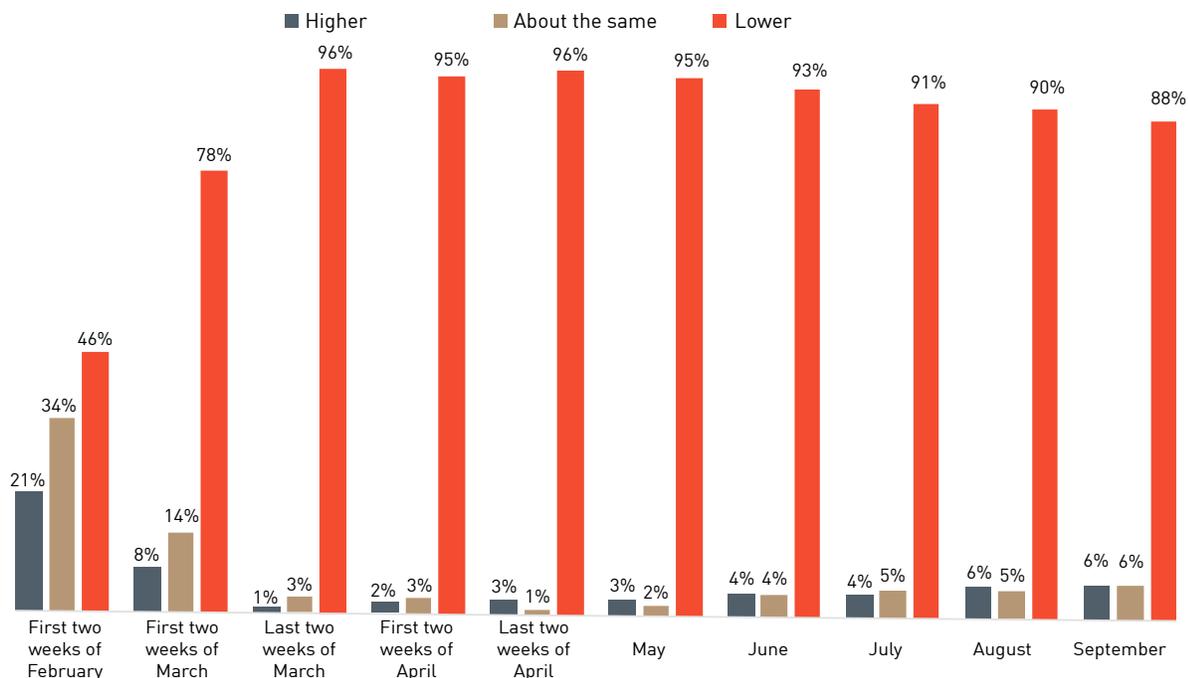
In July, 91% of respondents reported lower same-store sales on a year-over-year basis. This share was consistent at both quick- and table-service restaurants. On a positive note, however, 39% of respondents with lower sales in July said the decline was less than it was in June.

It was a similar situation in August as 90% of respondents reported lower same-store sales. Of those, 33% said that the decline in August worsened compared to September. Anecdotally, we heard from a number of restaurant operators that by mid-August, sales had slowed sharply compared to the first half of August as domestic travel stalled in order to get kids ready for school.

In September, 88% of respondents reported lower same-store sales. While 78% of quick-service restaurants reported lower same-store sales, 91% of table-service restaurants and 89% of “all other foodservice”—which includes foodservice from accommodation, drinking places, institutions (e.g. health care, education) and managed service providers – experienced lower sales.

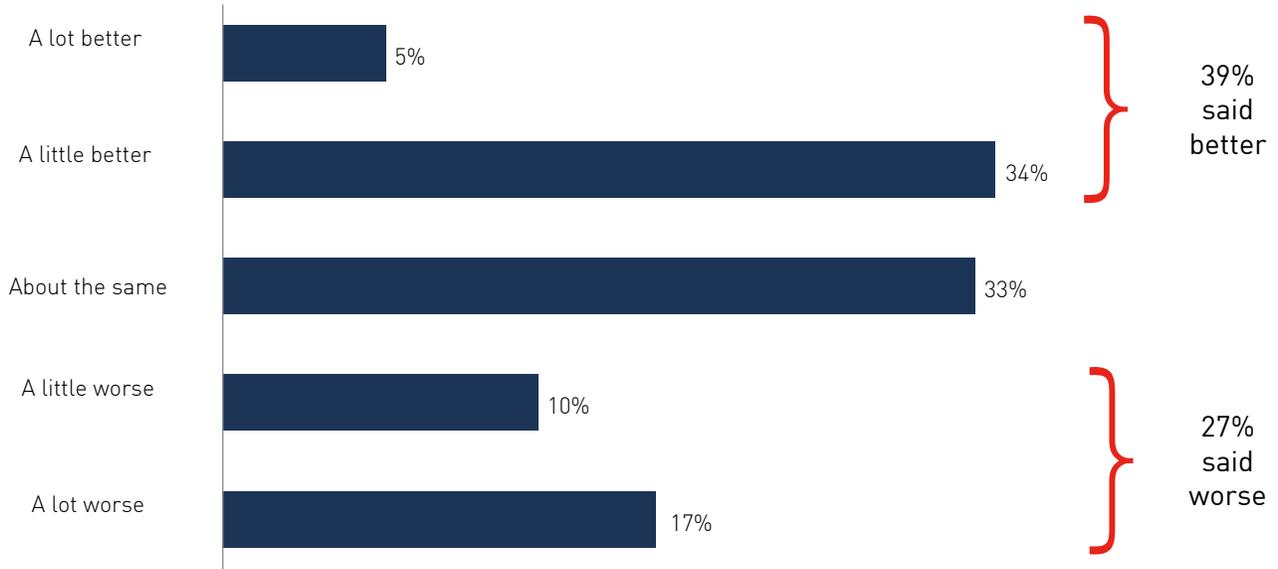
With the closure of on-premise dining in some parts of the country, combined with fewer people going out to restaurants, 65% of those who saw lower sales in September said the decline was worse compared to August.

On average, nine in 10 foodservice operations reported lower same-store sales in the third quarter of 2020



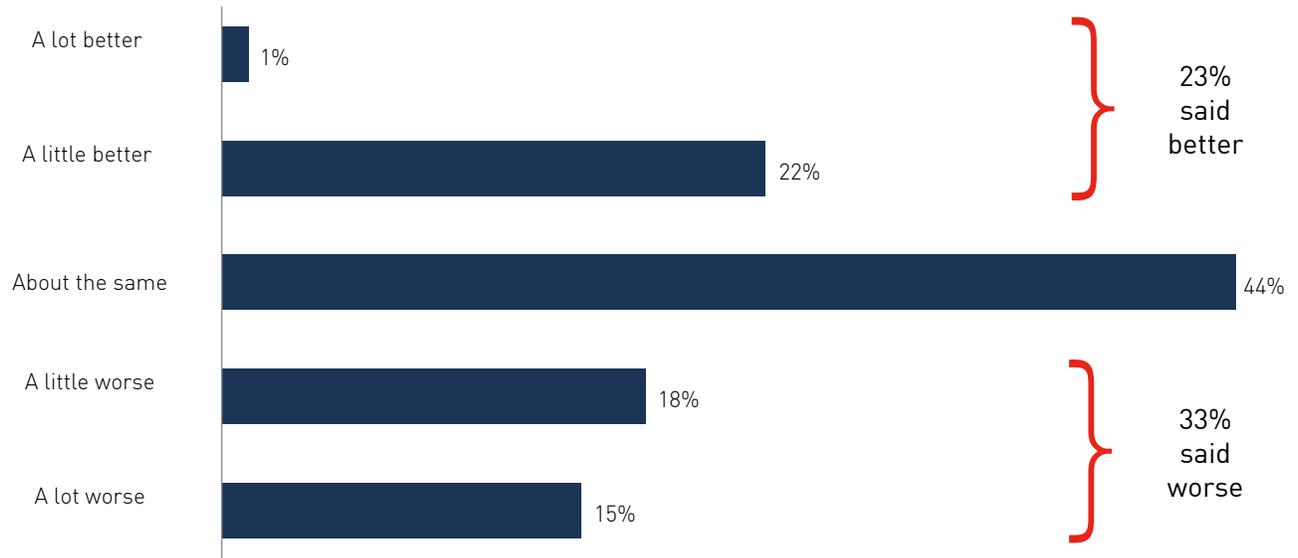
Q: Was your total sales volume, higher, lower, or about the same as it was compared to the same period in 2019?

Of those that reported lower sales in July, 27% said the drop in sales was worse in July compared to the decline in June



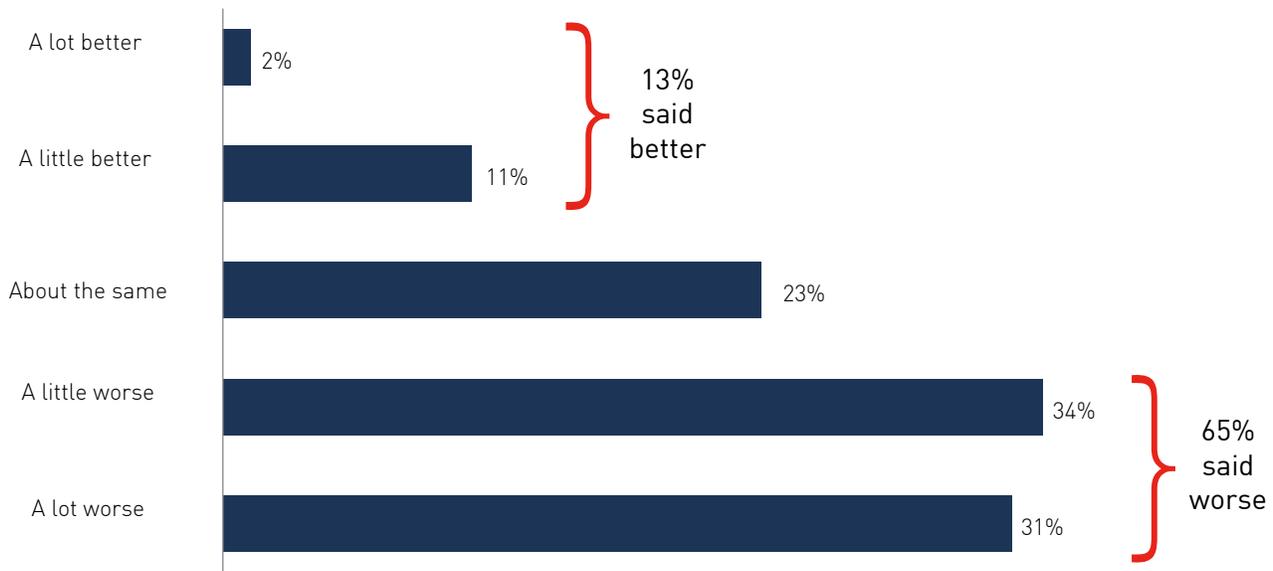
Q: How did your decline in total sales volume this month compare to the last month?

Of those that reported lower sales in August, 33% said the drop in sales was worse in August compared to the decline in July



Q: How did your decline in total sales volume this month compare to the last month?

Of those that reported lower sales in September, 65% said the drop in sales was worse in September compared to the decline in August



Q: How did your decline in total sales volume this month compare to the last month?

The share of quick-service restaurants reporting lower sales improved slightly over the course of Q3, dipping from 90% in July to 78% in September. In addition, 11% of quick-service restaurant operators posted higher same-store sales on a year-over-year basis in September compared to 7% in July.

With few Canadians dining indoors at restaurants, nine in 10 table-service restaurants said their same-store sales were lower throughout Q3 2020 than in Q3 2019. More alarming, of those who posted lower sales in September, 70% said the decline worsened compared to August. In fact, 37% of table-service restaurants reported that the decline was “a lot worse”.

For the “all other foodservice”, nine in 10 respondents also reported lower same-store sales throughout Q3. Of those who reported a decline in September, 56% said the drop in same-store sales was worse than the decline in August. In this segment, however, only 17% said the decline was “a lot worse” while 39% said it was “a little worse”.

Anecdotally, we heard from operators that fewer Canadians were travelling domestically in the second half of August as families were getting their kids ready for school, which would have had a negative impact on sales in both August and September.

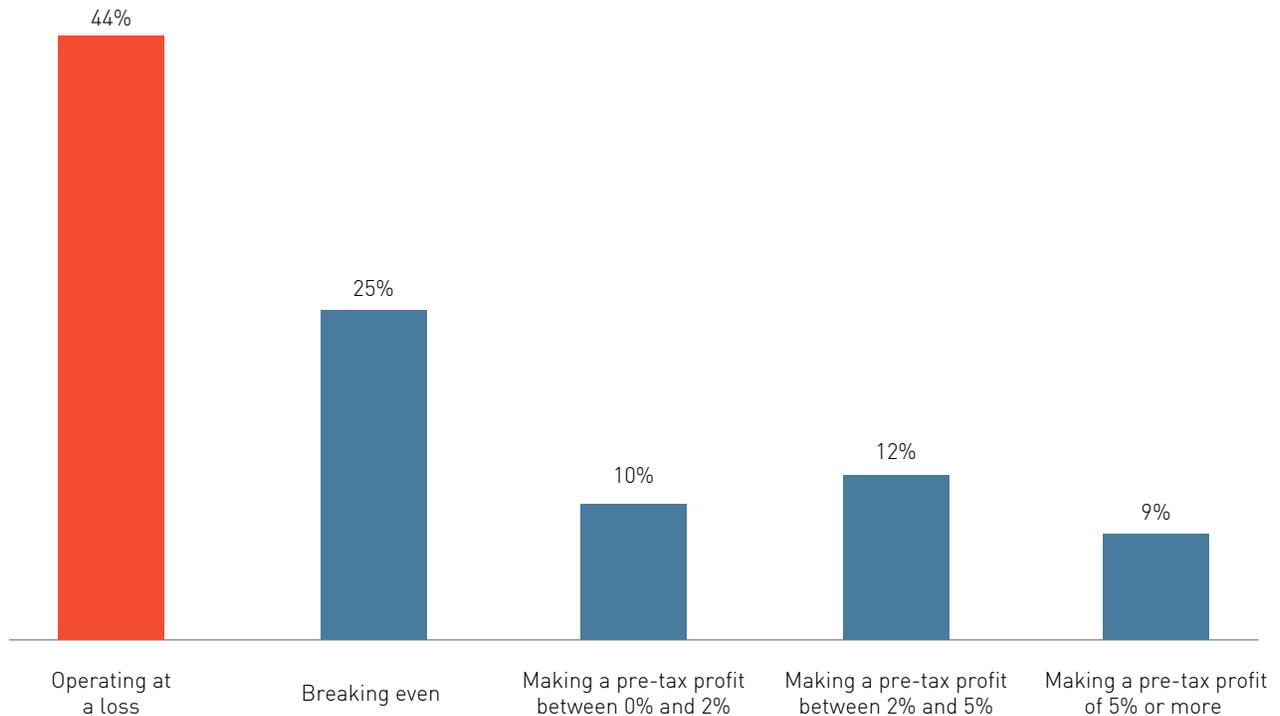
Foodservice Operators Struggle to Remain Profitable

With a significant decline in sales and operators still obligated to pay a number of operating expenses and fixed costs, 44% of foodservice operators said they were operating at a loss at the end of August, while another 25% are just breaking even.

By segment, 33% of quick-service restaurants and 45% of full-service restaurants were operating at a loss by the end of August.

On a positive note, however, we are seeing an improvement compared to June. At the end of June, 51% of quick-service restaurants were operating at a loss and 65% of full-service restaurants were operating at a loss.

In August, 44% of foodservice operators were operating at a loss

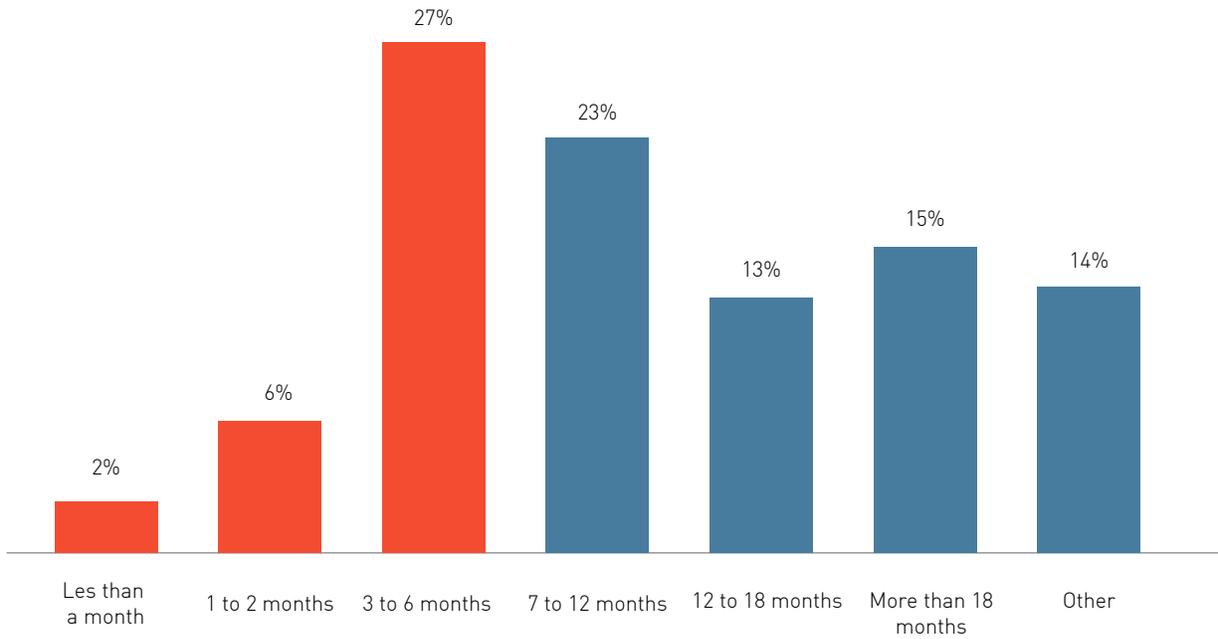


Q: Which best describes the current profitability of your overall operations.

Given these financial challenges, 35% of independent restaurants said they will close down permanently within the next six months if current conditions continue. This number jumps to 58% if current conditions continue for the next 12 months.

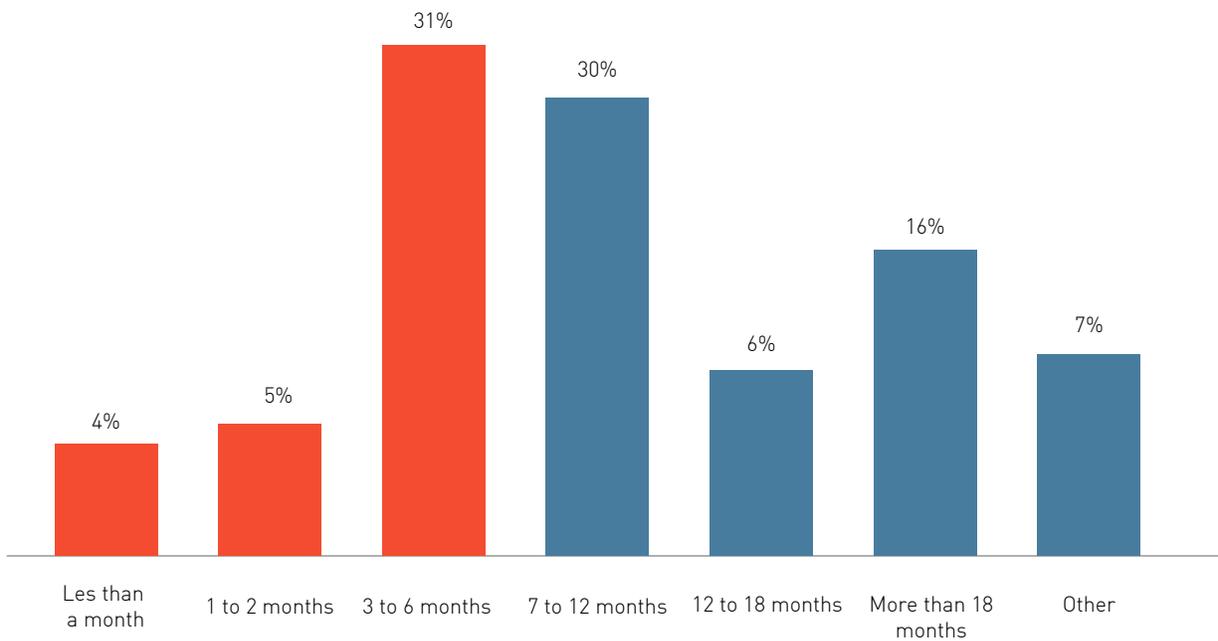
For chains, 40% of respondents said they would permanently close at least one of their locations within the next six months. This share jumps to 70% if current conditions continue over the next 12 months. Again, the numbers are higher for table-service restaurants (46%) than for quick-service restaurants (34%).

35% of independent restaurants said they will have to close down permanently within the next six months if current conditions continue



Q: If current conditions continue, how long do you expect your business to survive before you will have to close down permanently?

40% of chain restaurants said they will have to permanently close down at least one of their locations within the next six months if current conditions continue

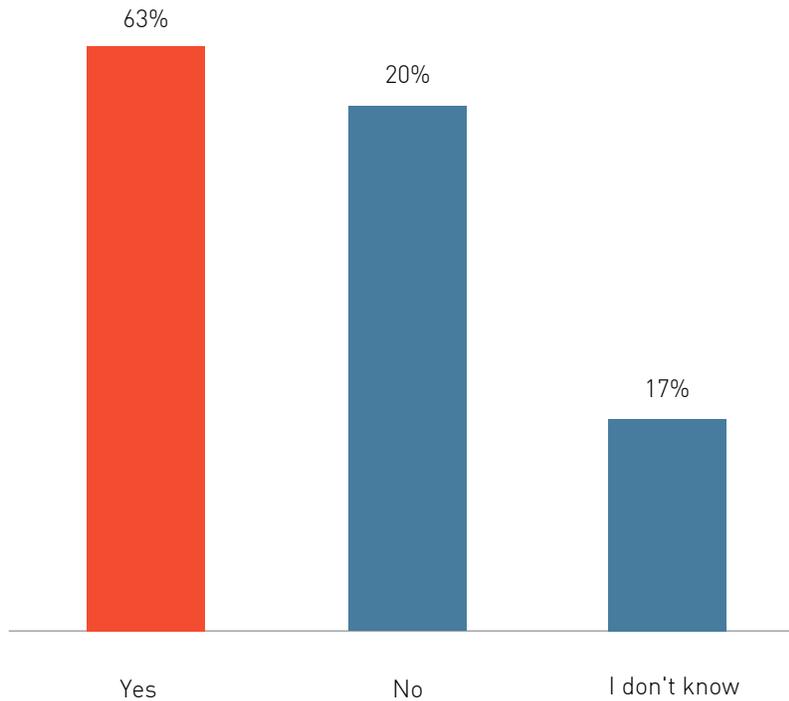


Q: If current conditions continue, how long do you expect your business to survive before you will have to permanently close down at least one of your locations?

In the face of these pressing financial challenges, it's not surprising that 63% of survey respondents said their foodservice business requires additional financial support, beyond what is currently available to them through current government programs, in order to survive. By segment, 67% of table-service restaurants and 65% of 'all other foodservice' require additional support, compared to 53% of quick-service operators.

Additional government support would provide foodservice operators with a critical lifeline to help them pay rent and other fixed costs, pay employees, pay business taxes and other operating expenses.

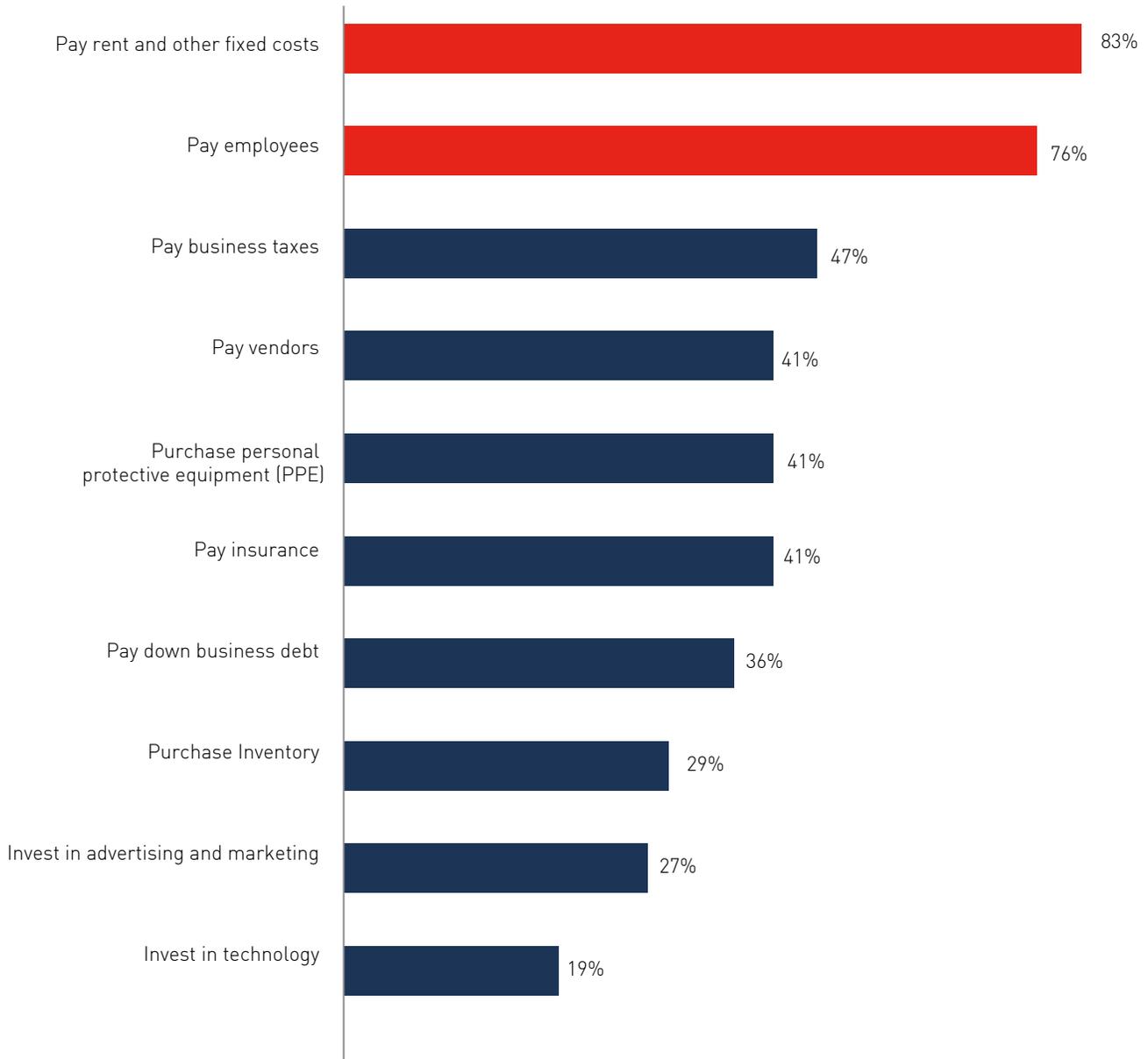
Over half (63%) of respondents reported their foodservice establishment requires additional financial support from government



Q: Does your foodservice business require additional financial support beyond what is currently available to you through government programs in order to survive?



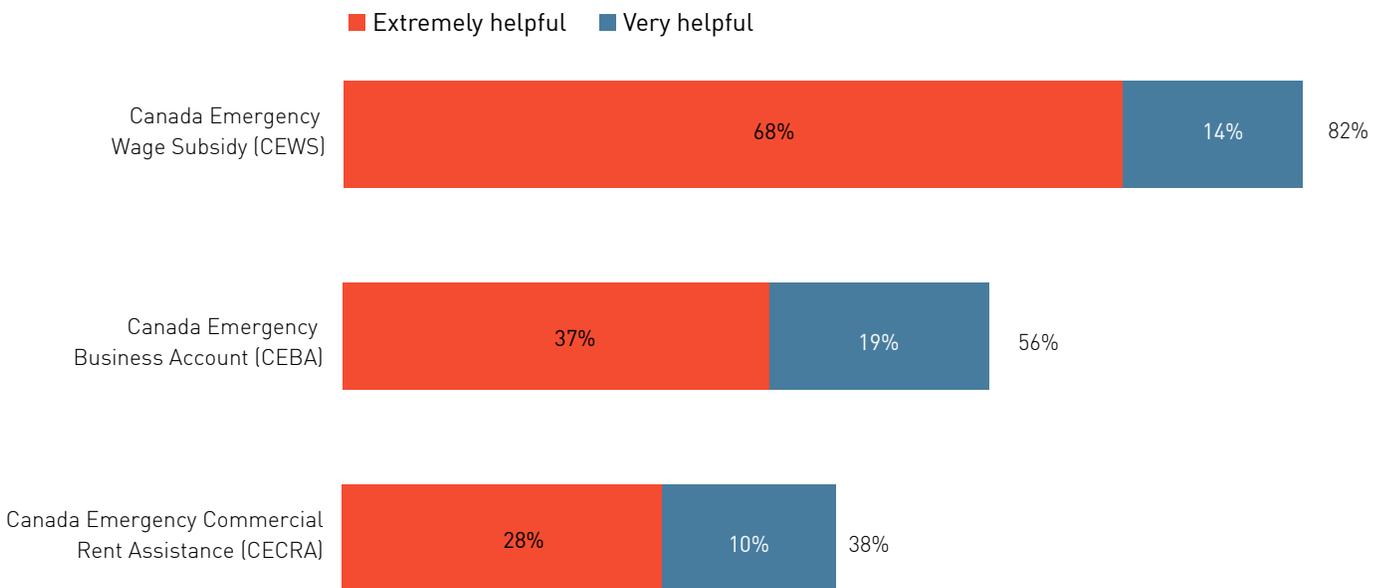
Additional government support is needed to help foodservice operators pay fixed costs (such as rent) and payroll



Q: Of those foodservice businesses that require additional financial support beyond what is currently available: How would your foodservice business use the additional funding? (Please select all that apply.)

In order to help businesses, the federal government introduced several programs. Of those, the Canada Emergency Wage Subsidy (CEWS) was the most beneficial. Overall, 82% of respondents said that CEWS was “extremely helpful” or “very helpful” to their business. Only 7% did not apply or were not able to qualify for the subsidy. Meanwhile, 56% of respondents said the Canada Emergency Business Account (CEBA) was helpful to their business. By comparison, only 38% said the Canada Emergency Commercial Rent Assistance (CECRA) was extremely or very helpful. While the CECRA program responds to one of the greatest challenges for restaurants, many were unable to secure assistance because their landlords did not apply or because they did not meet the current qualifying threshold.

CEWS has been "extremely helpful" or "very helpful" for 82% of foodservice operators



Q: How helpful have the following government programs been for your business?



Take-out and Delivery of Beverage Alcohol

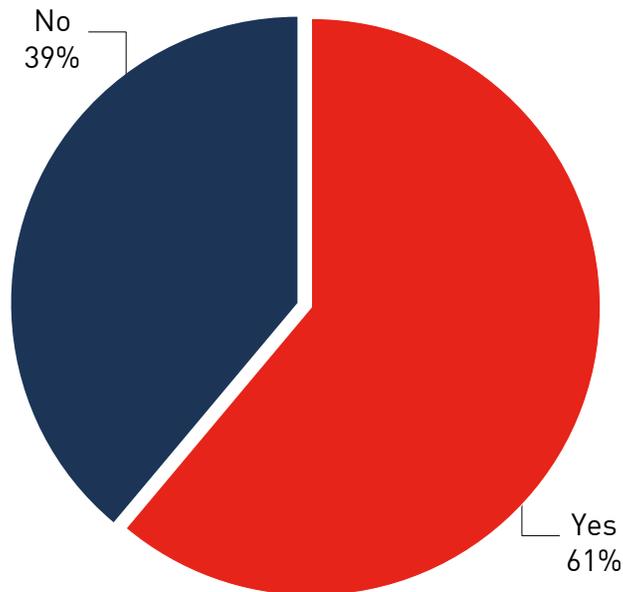
One of the notable changes that occurred due to COVID-19 was restaurants and bars being allowed by government to sell alcohol with food, for takeout and delivery in an effort to help boost foodservice sales.

From an operator perspective, there is significant interest in finally having the ability to sell beverage alcohol. Overall, 68% of table-service restaurants offered beverage alcohol for takeout and/or delivery in Q3, while 42% of "all other foodservice", such as bars, offer beverage alcohol for delivery.

The most popular alcohol items ordered for take-out and delivery were a single can/bottle of beer, bottles of wine and a 6-pack of beer. Less popular were pre-packaged spirit drinks (such as coolers, pre-mixed Caesar drinks) or bottles of spirits.

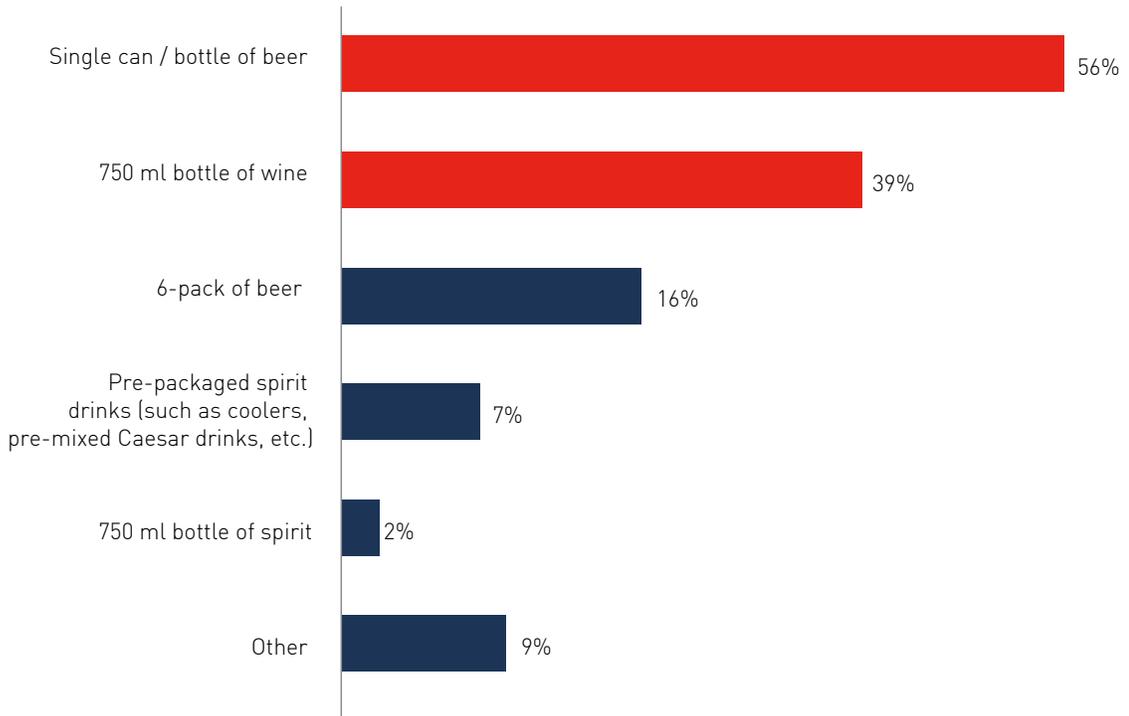
It may be a bit too early to tell but 44% of those who offer alcohol for delivery felt it had a positive impact on their business. A mere 4% said there was a negative impact. Hopefully the delivery/takeout of alcohol will continue in the future even after the crisis is over.

Six in 10 respondents offer beverage alcohol (with food) for takeout and/or delivery



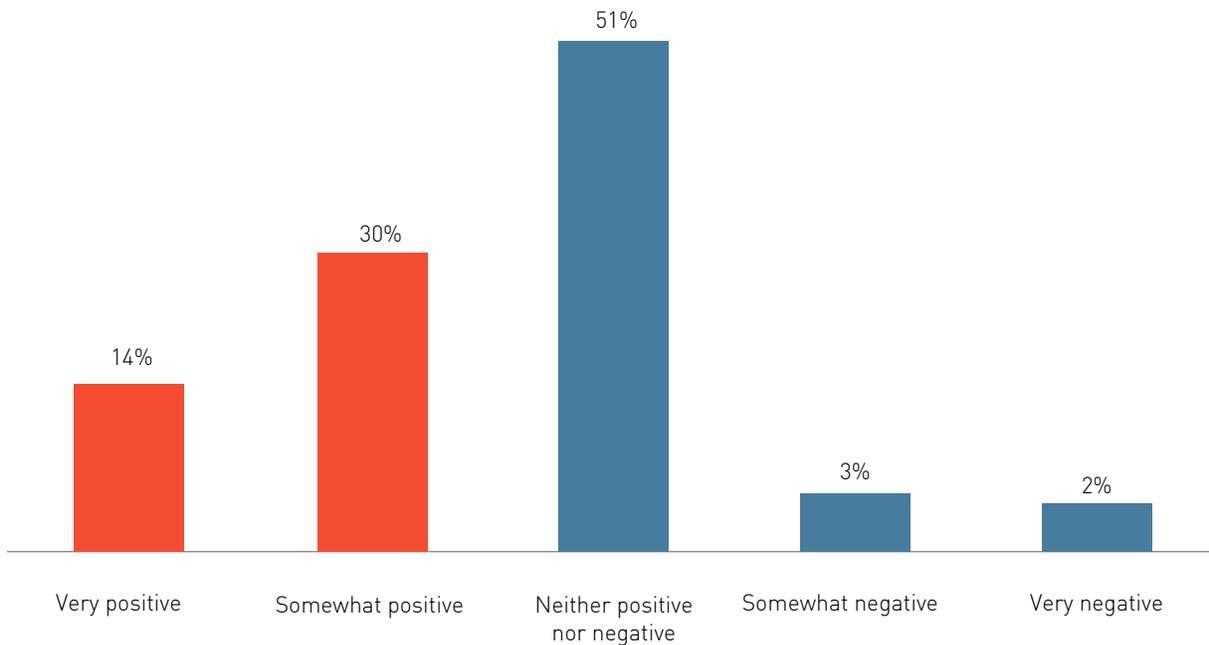
Q: Do you currently offer beverage alcohol for takeout and/or delivery?

The most popular beverage alcohol items for takeout and/or delivery were single cans/bottles of beer and 750 ml bottles of wine



Q: What are the most popular beverage alcohol items that are being ordered for takeout and/or delivery? (Please select all that apply)

44% of respondents that sold beverage alcohol for takeout and/or delivery believe it had a positive impact on their business



Q: How would you describe the impact that the ability to sell beverage alcohol for takeout and/or delivery is having on your business?

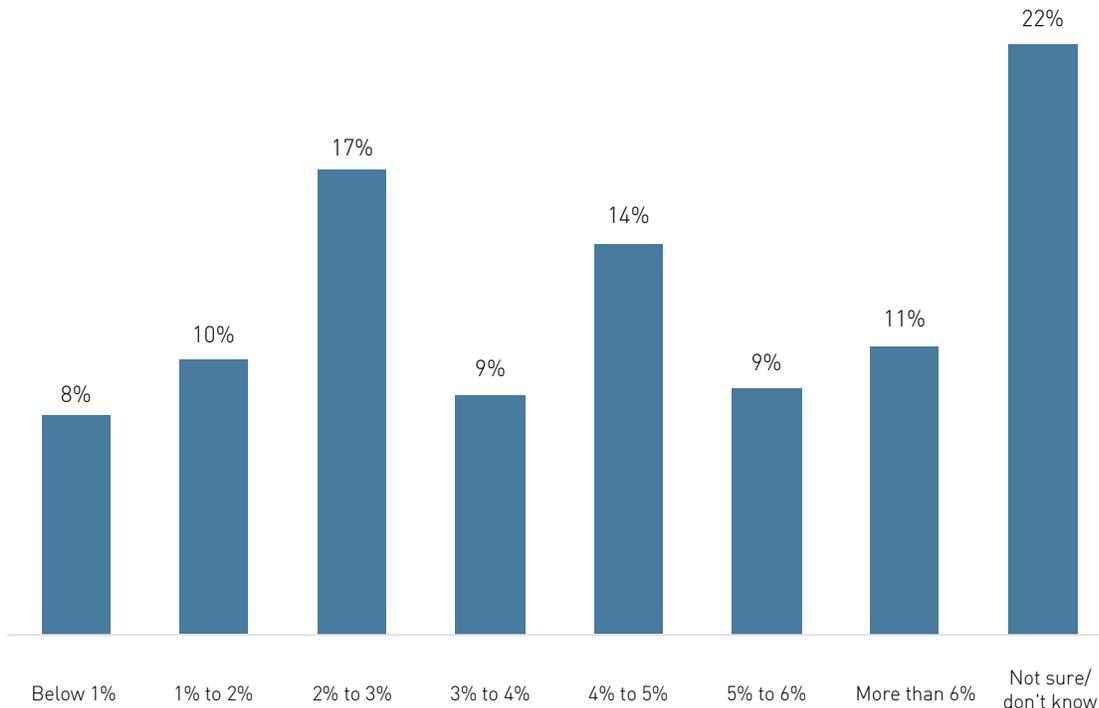
Menu Prices Expected to Climb in 2021

Menu prices are forecast to increase by an average of 3.5% over the next 12 months. This is relatively unchanged from an average of 3.6% in Q2. Substantial uncertainty remains concerning food costs and other operating expenses in the future. As a result, 22% of respondents were not sure by how much they would have to raise their menu prices.

By segment, the average quick-service restaurant is expected to increase menu prices by 3.6% compared to 3.4% for table-service restaurants. Meanwhile, the 'all other foodservice' category expects to raise menu prices by 3.7% over the next 12 months.

In the first ten months of 2020, menu inflation has been relatively benign at 2.1% compared to an annual average of 3.0% over the past five years.

More than one in five respondents reported they are unsure about how menu prices will increase over the next 12 months



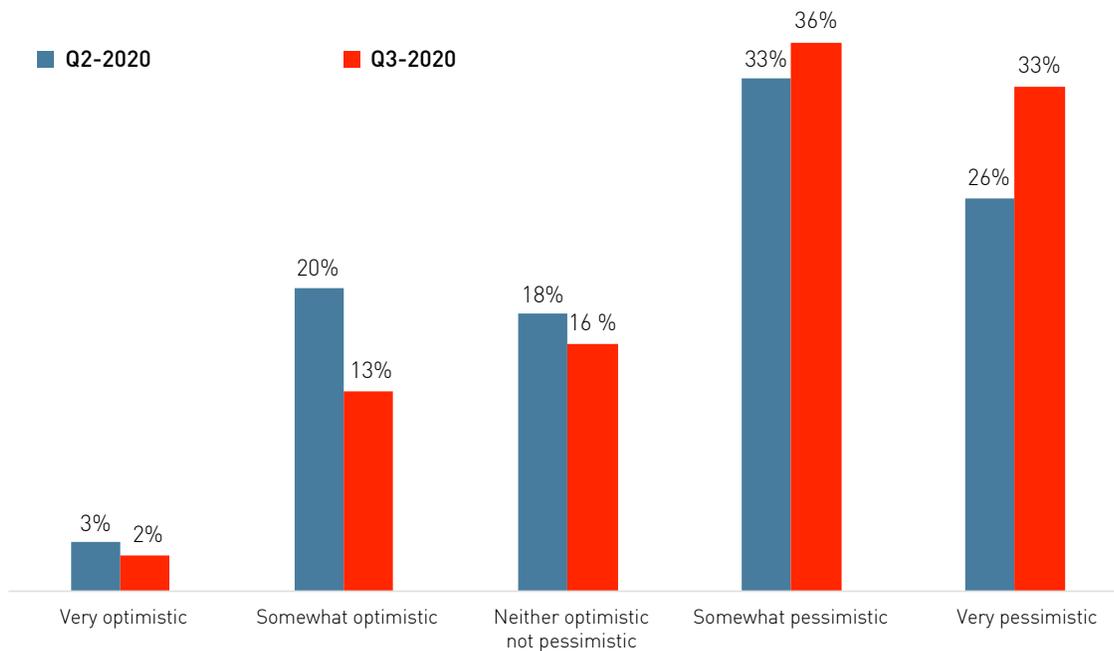
Q: Over the next 12 months, do you expect your menu price increase on a year-over-year basis to be:

Pessimism about the Future on the Rise

Looking ahead, nearly 7 in 10 respondents said they feel pessimistic about the next 12 months. In fact, 33% feel very pessimistic. The outlook is slightly worse than in Q2 when only 59% of respondents said they were pessimistic about the next 12 months. The decline in sentiment reflects the second wave of COVID-19, potential closures of on-premise dining, rising business debt, closure of patios and weak consumer and business dining spending over the holidays.

By segment, table-service restaurants are the most pessimistic with 72% of respondents saying they are “very” or “somewhat” pessimistic about the next 12 months. This is up slightly from 68% in Q2. The share of “all other foodservice” that are pessimistic about the next 12 months jumped from 54% in Q2 to 65% in Q3. While 49% of quick-service restaurants were pessimistic about the future in Q2, this share climbed to 60% in Q3. Clearly, anxiety is increasing across all parts of the industry.

The share of respondents feeling “very pessimistic” over the next 12 months increased from 26% in Q2 2020 to 33% in Q3 2020



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

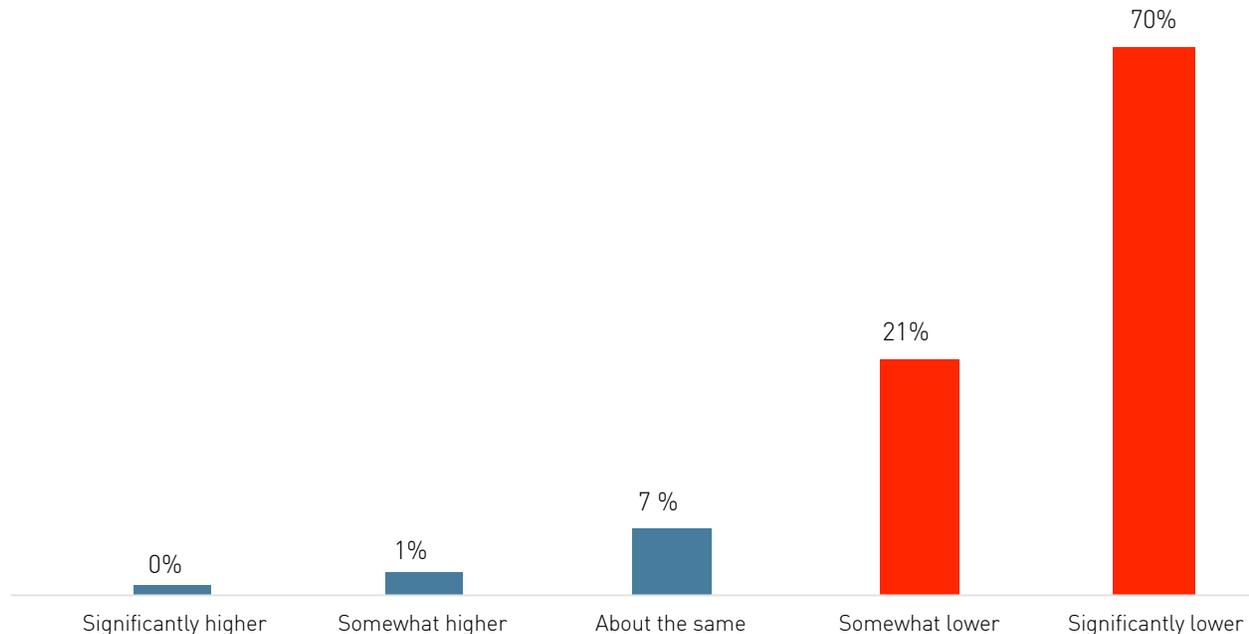
One of the biggest concerns going forward is the expectation that sales will remain below 2019 levels over the remainder of 2020. Over 90% of respondents said they expect their same-store sales from September to November to be lower compared to the same period in 2019. A staggering 70% said they expect sales to be significantly lower compared to 2019. According to respondents:

“Most of my sales now are patio sales... with many not comfortable dining indoors, I expect that at the end of the nice weather, there will be a significant negative impact.”

“Patio season will be over and with current social distancing rules, there are only 4 tables indoors as ours is a small space. That means if diners are only in pairs for a single seating we are at a total of 8 guests, when our dining room used to seat 40 with the bar prior to COVID. In addition to the fact that the tables inside are not popular since diners feel safer outside at the moment.”

In fact, 93% of table-service restaurants expect their sales to be lower between September and November 2020 compared to a year ago, with 73% saying sales will be “significantly lower”. While quick-service restaurants have been able to rely on takeout and delivery, 88% still said they expect sales to be lower during this time period, with 56% saying “significantly lower”.

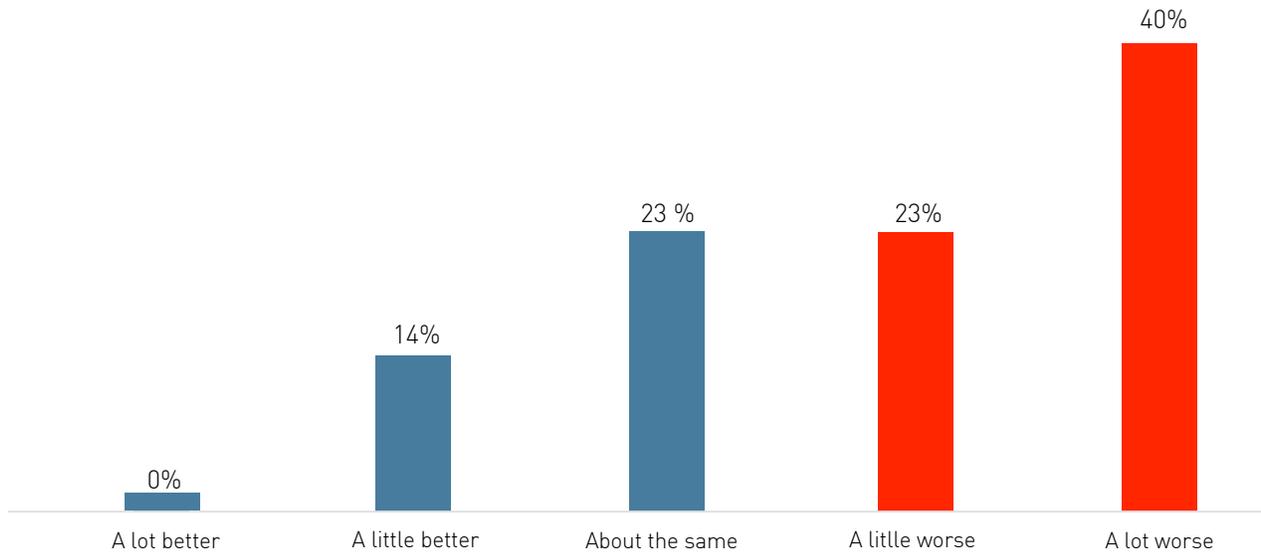
Nine out of 10 expect their sales to be lower between September and November 2020 compared to September and November 2019



Q: Between September and November this year, do you expect your total sales volume to be higher, lower, or about the same as it was compared to September and November 2019?

For those expecting lower same-store sales to continue between September and November, 63% believe that sales declines will be a lot worse than the declines in the summer. Once again, the table-service restaurant segment expects to be hardest hit with 67% saying the Sept-Nov sales decline would be much worse than in the summer. For quick-service restaurants, nearly half (49%) of respondents said the declines between September and November would be worse than in the summer.

63% of respondents expect their sales decline to be worse between September and November compared to the summer months

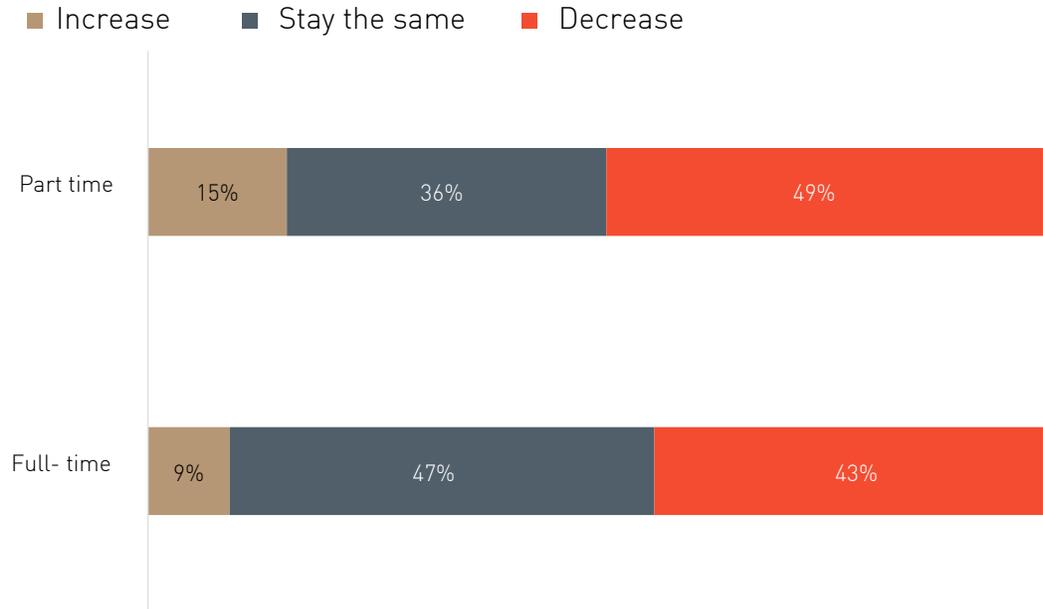


Q: Do you expect your decline in sales between September and November to be better or worse than it was during the summer months?

With such a weak outlook for the future, 49% of survey respondents expect to reduce the number of part-time employees in the final quarter of 2020. Only 15% expect to increase the number of part-time workers. Similarly, 43% expect to reduce their full-time staff and just 9% anticipate hiring more full-time employees.

In line with the outlook for their sales, a significantly higher share of table-service restaurants and “all other foodservice” expect their employment levels to be lower in the final months of 2020 relative to quick-service restaurants. Part-time workers will be hardest hit as 57% of “all other foodservice” anticipate lower employment levels in the final quarter of 2020. Meanwhile, 53% of table-service restaurants expect the number of part-time employees to be lower.

Half of restaurants expect their part-time employment level to decrease while 47% expect their full-time employment level to stay the same over the next 3 to 4 months



Q: Allowing for normal seasonal influences, how do you expect your employment levels to change over the next 3 to 4 months?



Appendix

How many foodservice establishments do you operate?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
A single, independent establishment	56%	37%	62%	53%
A single location within a multi-unit business or franchise	14%	23%	11%	14%
More than one establishment	30%	40%	27%	33%

Which of the following best describes your current level of operations? (If you operate more than one establishment, please select all that apply.)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Operations are open for on- and/or off-premise services	93%	92%	94%	90%
Operations are still temporarily closed due to COVID-19	8%	13%	7%	9%
Operations are permanently closed due to COVID-19	3%	2%	3%	5%
Seasonal operation that has not opened yet	1%	2%	0%	3%

In July, was your total sales volume, higher, lower, or about the same as it was compared to July 2019?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Higher	4%	7%	4%	3%
Lower	91%	90%	90%	93%
About the same	5%	3%	6%	3%

How did your decline in total sales volume in July compare to June?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
A lot worse	17%	15%	19%	12%
A little worse	10%	15%	10%	7%
About the same	33%	30%	32%	37%
A little better	34%	37%	32%	38%
A lot better	5%	4%	6%	5%

Which of the following ways can your customers currently order takeout and/or delivery from your foodservice business? (Please select all that apply.)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Over the phone	88%	60%	93%	94%
In person	85%	83%	86%	79%
Via a third-party takeout and/or delivery service (e.g. Ritual or Uber Eats)	47%	55%	49%	30%
Via our website	38%	30%	41%	33%
Via our mobile app	24%	48%	19%	19%

Which of the following describes the highest commission rate you are currently paying for a third-party takeout and/or delivery service?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Less than 10%	6%	6%	3%	20%
Between 10% and 19%	12%	9%	11%	20%
Between 20% and 29%	59%	73%	57%	45%
30% or more	24%	12%	29%	15%

Between September and November this year, do you expect your total sales volume to be higher, lower, or about the same as it was compared to September and November 2019?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Significantly higher	0%	0%	0%	2%
Somewhat higher	1%	3%	0%	3%
About the same	7%	8%	6%	11%
Somewhat lower	21%	32%	20%	14%
Significantly lower	70%	56%	73%	71%

Do you expect your decline in sales between September and November to be better or worse than it was during the summer months?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
A lot better	0%	2%	0%	0%
A little better	14%	9%	14%	14%
About the same	23%	40%	19%	25%
A little worse	23%	19%	24%	21%
A lot worse	40%	30%	43%	39%

How many units do you own and/or operate?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Number of Responses	463	65	282	116
Number of Units	7,599	5,848	1,008	743

* 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.



How many foodservice establishments do you operate?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
A single, independent establishment	52%	26%	61%	57%
A single location within a multi-unit business or franchise	14%	21%	10%	14%
More than one establishment	34%	53%	28%	29%

Which of the following best describes your current level of operations? (If you operate more than one establishment, please select all that apply.)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Operations are open for on- and/or off-premise services	95%	95%	97%	91%
Operations are still temporarily closed due to COVID-19	6%	6%	4%	10%
Operations are permanently closed due to COVID-19	1%	0%	2%	1%
Seasonal operation that has not opened yet	1%	1%	1%	3%

Does your foodservice business require additional financial support beyond what is currently available to you through government programs in order to survive?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Yes	63%	53%	67%	65%
No	20%	24%	16%	14%
I don't know	17%	23%	17%	21%

Of those foodservice businesses that require additional financial support beyond what is currently available: How would your foodservice business use the additional funding? (Please select all that apply.)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Pay rent and other fixed costs	83%	86%	87%	65%
Pay vendors	41%	44%	41%	37%
Pay business taxes	47%	43%	46%	54%
Pay employees	76%	80%	76%	73%
Pay insurance	41%	33%	41%	46%
Pay down business debt	36%	32%	35%	45%
Invest in technology	19%	21%	18%	18%
Invest in advertising and marketing	27%	29%	27%	27%
Purchase inventory	29%	33%	27%	28%
Purchase personal protective equipment (PPE)	41%	46%	37%	46%

Of those foodservice businesses that require additional financial support beyond what is currently available: Without additional government support, how long do you expect your foodservice business to survive before you will have to permanently close your operations?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
1 to 2 months	15%	13%	18%	10%
3 to 6 months	47%	43%	48%	47%
7 to 12 months	25%	23%	24%	29%
12 to 18 months	7%	7%	6%	11%
More than 18 months	6%	13%	5%	3%

How helpful have the following government programs been for your business?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Canada Emergency Wage Subsidy (CEWS)				
Extremely helpful	68%	69%	69%	64%
Very helpful	14%	14%	14%	13%
Somewhat helpful	6%	5%	6%	5%
Not so helpful	2%	3%	1%	2%
Not at all helpful	3%	1%	4%	3%
Did not apply/not applicable	7%	8%	5%	13%
Canada Emergency Commercial Rent Assistance (CECRA)				
Extremely helpful	28%	17%	34%	22%
Very helpful	10%	4%	13%	5%
Somewhat helpful	7%	5%	8%	7%
Not so helpful	4%	5%	3%	4%
Not at all helpful	15%	19%	14%	13%
Did not apply/not applicable	37%	49%	28%	48%
Canada Emergency Business Account (CEBA)				
Extremely helpful	37%	32%	41%	33%
Very helpful	19%	18%	20%	17%
Somewhat helpful	17%	13%	20%	15%
Not so helpful	4%	3%	5%	6%
Not at all helpful	7%	8%	6%	8%
Did not apply/not applicable	16%	27%	9%	21%

If the following government programs were extended into the first quarter of 2021, how helpful would this be for your business?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Canada Emergency Wage Subsidy (CEWS)				
Extremely helpful	78%	72%	81%	75%
Very helpful	10%	13%	9%	8%
Somewhat helpful	4%	4%	4%	4%
Not so helpful	1%	1%	1%	0%
Not at all helpful	3%	4%	2%	3%
Not applicable	5%	5%	3%	10%
Canada Emergency Commercial Rent Assistance (CECRA)				
Extremely helpful	41%	25%	52%	29%
Very helpful	6%	4%	7%	7%
Somewhat helpful	5%	7%	5%	4%
Not so helpful	3%	2%	3%	3%
Not at all helpful	11%	17%	8%	10%
Not applicable	34%	45%	26%	46%
Canada Emergency Business Account (CEBA)				
Extremely helpful	39%	35%	41%	40%
Very helpful	12%	13%	12%	14%
Somewhat helpful	13%	7%	16%	9%
Not so helpful	7%	6%	7%	9%
Not at all helpful	9%	10%	9%	7%
Not applicable	21%	30%	16%	21%

In August, was your total sales volume, higher, lower, or about the same as it was compared to August 2019?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Higher	6%	8%	4%	5%
Lower	90%	83%	92%	91%
About the same	5%	8%	3%	4%

Of those with lower sales in August: How did your decline in total sales volume in August compare to July?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
A lot worse	15%	15%	15%	16%
A little worse	18%	16%	20%	13%
About the same	44%	43%	43%	50%
A little better	22%	27%	22%	19%
A lot better	1%	0%	1%	2%

Which best describes the current profitability of your overall operations?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Making a pre-tax profit of 5% or more	9%	19%	5%	8%
Making a pre-tax profit between 2% and 5%	12%	16%	13%	2%
Making a pre-tax profit between 0% and 2%	10%	8%	13%	5%
Breaking even	25%	24%	25%	26%
Operating at a loss	44%	33%	45%	58%

For those operating at a loss: How many months do you expect it will take for your business to return to profitability?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
1 to 2 months	0%	0%	0%	0%
3 to 6 months	4%	6%	4%	4%
7 to 12 months	24%	21%	26%	20%
12 to 18 months	43%	45%	40%	50%
More than 18 months	29%	28%	29%	27%

Allowing for normal seasonal influences, how do you expect your employment levels to change over the next 3 to 4 months?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Full-time employment				
Increase	9%	19%	6%	5%
Stay the same	47%	49%	47%	47%
Decrease	43%	33%	47%	48%
Part-time employment				
Increase	15%	23%	12%	16%
Stay the same	36%	43%	35%	28%
Decrease	49%	34%	53%	57%

How many units do you own and/or operate?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Number of Responses	659	159	358	142
Number of Units	8,440	2,742	2,252	3,446

* 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.

Which of the following best describes your current level of operations? (If you operate more than one location, please select all that apply.)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Open for dine-in services but operating at reduced capacity	67%	47%	78%	55%
Open for takeout and/or delivery only	33%	64%	24%	33%
All operations are temporarily closed due to COVID-19	8%	5%	7%	12%
Permanently closed due to COVID-19	2%	0%	2%	4%
Seasonal operation that is currently closed	2%	0%	1%	4%

In September, was your total sales volume, higher, lower, or about the same as it was compared to September 2019?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Higher	6%	11%	5%	5%
About the same	6%	11%	4%	7%
Lower	88%	78%	91%	89%

How did your decline in total sales volume in September compare to August?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
A lot worse	31%	26%	37%	17%
A little worse	34%	28%	33%	39%
About the same	23%	32%	18%	29%
A little better	11%	14%	10%	13%
A lot better	2%	0%	2%	1%

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	2%	7%	0%	3%
Somewhat optimistic	13%	15%	12%	15%
Neither optimistic nor pessimistic	16%	18%	15%	17%
Somewhat pessimistic	36%	36%	37%	31%
Very pessimistic	33%	24%	35%	34%

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**
Less than 1%	8%	4%	10%	6%
1% to 2%	10%	13%	10%	8%
2% to 3%	17%	21%	16%	17%
3% to 4%	9%	6%	11%	6%
4% to 5%	14%	12%	15%	16%
5% to 6%	9%	9%	8%	12%
More than 6%	11%	13%	10%	9%
Don't know / not sure	22%	21%	20%	28%

Do you currently offer beverage alcohol for takeout and/or delivery?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Yes	61%	n.a.	68%	42%
No	39%	n.a.	32%	58%

What are the most popular beverage alcohol items that are being ordered for takeout and/or delivery? (Please select all that apply)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Single can/bottle of beer	56%	n.a.	56%	60%
6-pack of beer	16%	n.a.	14%	26%
750 ml bottle of wine	39%	n.a.	40%	34%
750 ml bottle of spirit	2%	n.a.	1%	9%
Pre-packaged spirit drinks (such as coolers, pre-mixed Caesar drinks, etc.)	7%	n.a.	7%	6%
Other (please specify)	9%	n.a.	8%	11%

How would you describe the impact that the ability to sell beverage alcohol for takeout and/or delivery is having on your business?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Very positive	14%	n.a.	15%	9%
Somewhat positive	30%	n.a.	28%	40%
Neither positive nor negative	51%	n.a.	52%	46%
Somewhat negative	3%	n.a.	2%	3%
Very negative	2%	n.a.	2%	3%

How many foodservice establishments do you operate?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
A single, independent establishment	56%	31%	61%	62%
A single location within a multi-unit business or franchise	11%	16%	10%	9%
More than one establishment	33%	52%	29%	29%

If current conditions continue, how long do you expect your business to survive before you will have to permanently close down at least one of your locations?

(For operators with more than one location)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Less than a month	4%	0%	6%	5%
1 to 2 months	5%	0%	9%	0%
3 to 6 months	31%	34%	31%	29%
7 to 12 months	30%	20%	32%	38%
12 to 18 months	6%	3%	7%	10%
More than 18 months	16%	20%	13%	19%
Other	7%	23%	1%	0%

If current conditions continue, how long do you expect your business to survive before you will have to close down permanently?

(For independent foodservice operators)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Less than a month	2%	0%	3%	0%
1 to 2 months	6%	9%	5%	5%
3 to 6 months	27%	13%	29%	30%
7 to 12 months	23%	16%	25%	22%
12 to 18 months	13%	0%	14%	15%
More than 18 months	15%	28%	11%	20%
Other	14%	34%	12%	8%

How many units do you own and/or operate?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Number of Responses	423	67	240	116
Number of Units	2,080	1,004	871	202

* 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. These surveys were conducted between July, August and September.

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 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.

Before the start of the COVID-19 pandemic, Canada's foodservice sector was a \$93 billion industry, directly employing 1.2 million people, providing Canada's number one source of first jobs and serving 22 million customers across the country every day.



The voice of foodservice | La voix des services alimentaires

For further information

Restaurants Canada

1155 Queen Street West,
Toronto, Ontario M6J 1J4

Tel: (416) 923-8416 or 1-800-387-5649

Fax: (416) 923-1450

E-mail: members@restaurantscanada.org

Website: restaurantscanada.org

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