



RESEARCH

# Restaurant Outlook Survey

Q1 2021





## Executive Summary

- Nearly half of foodservice operators were operating at a loss and another 24% are just breaking even in early April. 41% of quick-service restaurants were operating at a loss in the first week of April 2021 while 19% were earning a profit of 2% or more. By comparison, 50% of table-service restaurants and 54% of all other foodservice were operating at a loss.
- 75% of table-service restaurants said it would take 12 months or longer to return to profitability. To compare, 60% of quick-service restaurants and 64% of all other respondents said it would take 12 months or longer to return to profitability.
- The most popular changes restaurants made in order to survive were to amend their hours of operation, offering takeout and delivery and streamlining their menu.
- Compared to the US, where more than half of restaurants said the pandemic made their foodservice more efficient and productive compared to March 2020, a somewhat surprising 30% of foodservice respondents in Canada believe the pandemic made their foodservice operation more efficient and productive.
- Over the remainder of 2021, six in 10 respondents said that the top challenge for them will be additional government-mandated shutdowns. This was a significantly greater issue for table-service restaurants (65%) than for quick-service restaurants (54%).
- Over six in 10 respondents expect “reducing operating costs” and “bringing back/finding new staff” will be the biggest challenges for their business.
- Roughly half (48%) of respondents are feeling “very” or “somewhat” optimistic about the next 12 months. Quick-service restaurants are the most optimistic about the future with 54% of respondents “very” or “somewhat” optimistic.
- Nearly half of respondents said they would be raising their menu prices by 4% or more over the next 12 months.

## Introduction

This edition of the Restaurant Outlook Survey marks the one-year anniversary of this report since the start of the pandemic. When we first reported the impact of COVID-19 in the Q1 2020 Restaurant Outlook Survey, there was a tremendous amount of anxiety, uncertainty and fear about the future of Canada's foodservice industry. For many, those fears were realized as more than 10,000 foodservice establishments have permanently closed over the past 12 months. Even for those still operating, many have seen a dramatic decline in sales and profitability.

While hope is on the horizon with the continuing rollout of vaccines, Canada finds itself in the midst of a severe third wave. The number of daily cases are skyrocketing, ICU beds are nearing full capacity and another round of strict lockdown measures have been implemented across several regions in Canada.

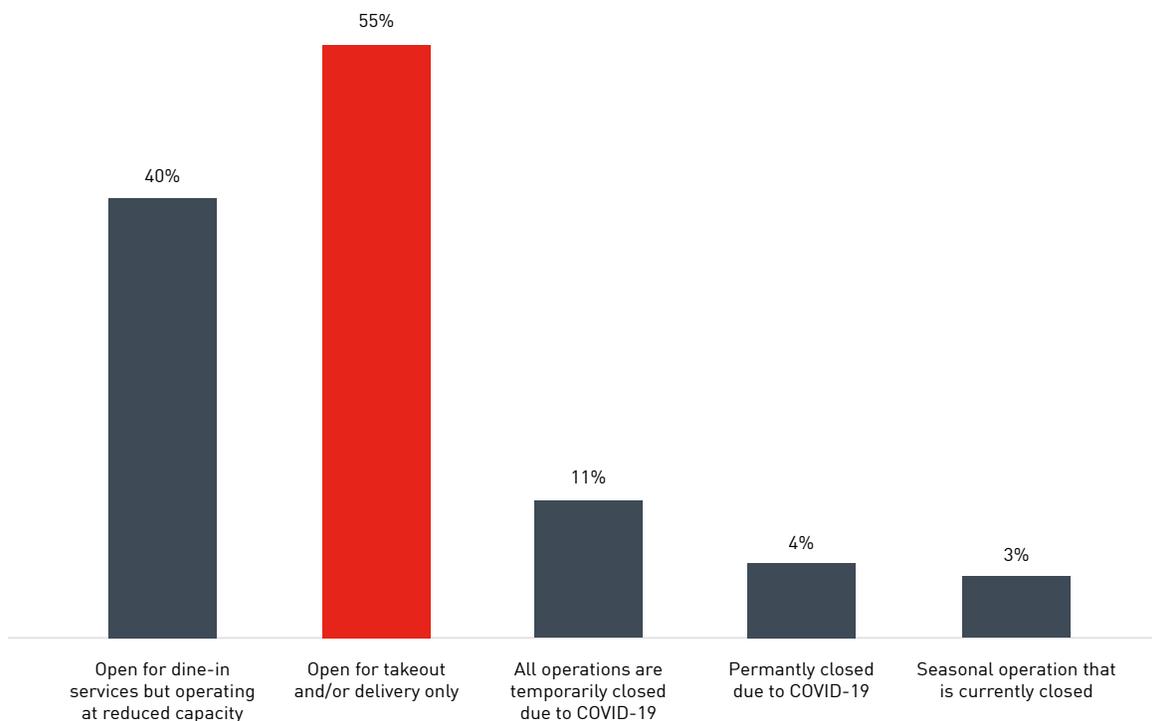
This edition of the Restaurant Outlook Survey looks back at the changes foodservice operators implemented to survive the crisis and ahead at what to expect for menu prices, operational challenges and bringing back staff.

## Restrictions and Lockdowns Reduce Foodservice Sales in Q1 2021

A year into the pandemic, most of Canada’s foodservice industry continues to be battered by strict lockdown measures, resulting in lower sales and eroding profitability.

When this survey was conducted in early April 2021, new government restrictions in many parts of the country meant that more than half (55%) of all foodservice establishments in Canada were open for takeout and delivery only. Meanwhile, four in 10 foodservice establishments were open for dine-in services but operated at a reduced capacity. Another one in 10 locations were temporarily closed. This share was much higher for drinking places, such as bars, taverns and nightclubs, where three in 10 respondents reported that they were temporarily closed.

### More than half of respondents are operating establishments that are currently open for takeout and/or delivery only



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

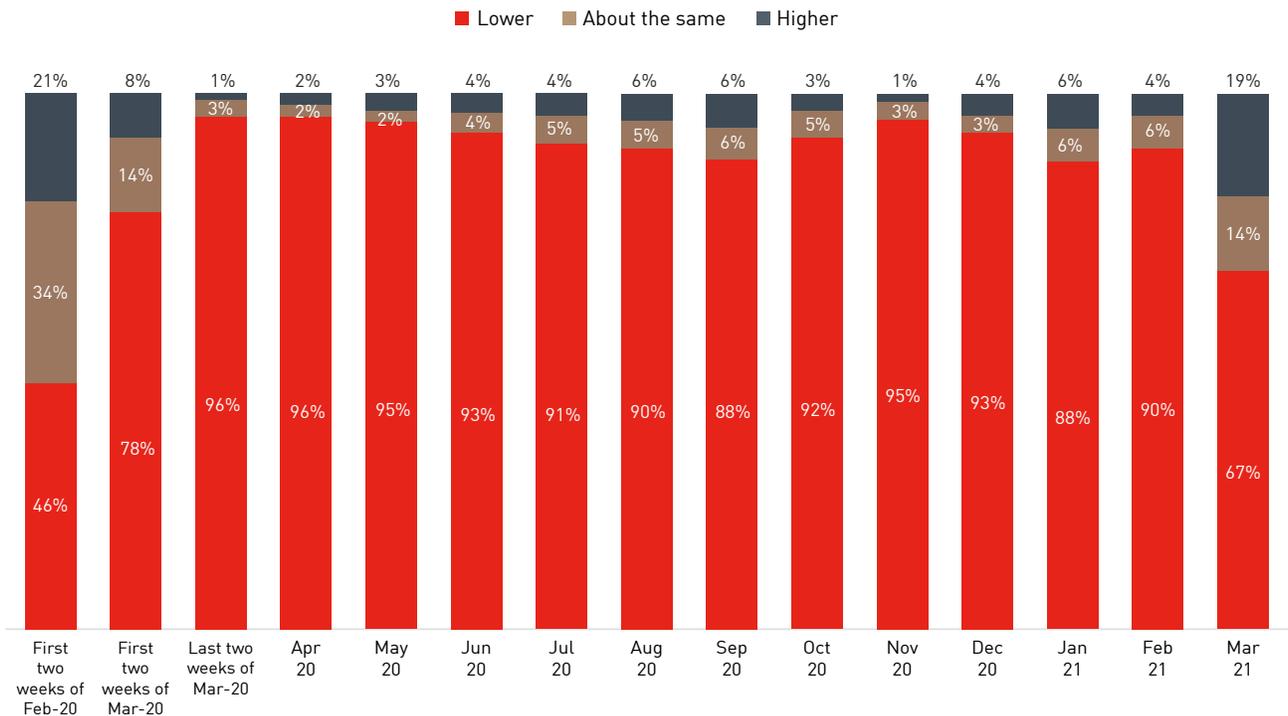
Looking back at February 2021, 90% of foodservice operators reported lower same-store sales compared to February 2020. It’s important to note that even in first two weeks of February 2020, 46% of respondents reported lower same-store sales. This was part of a moderation in foodservice sales growth throughout 2019 due to a slowdown in consumer traffic, high household debt and a much more competitive landscape. While 11% of quick-service restaurants reported higher same-store sales in February 2021 compared to February 2020, just 3% of table-service restaurants posted higher sales.

**Starting with the March 2021 data, we are no longer comparing foodservice sales to pre-pandemic levels. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic resulting in an industry wide shutdown of many foodservice operations.**

While we knew March 2021 sales would remain below March 2019 sales, we wanted to measure if there was any improvement compared to March 2020. When Restaurants Canada surveyed its members last year, 78% of respondents reported lower same-store sales on a year-over-year basis in the first two weeks of March 2020, while 96% reported lower sales in the last two weeks of March 2020. Even with those declines, 67% of respondents reported lower sales in March 2021 compared to March 2020. Of those reporting lower sales, nearly half (48%) said the decline in sales was worse than the decline in February 2021.

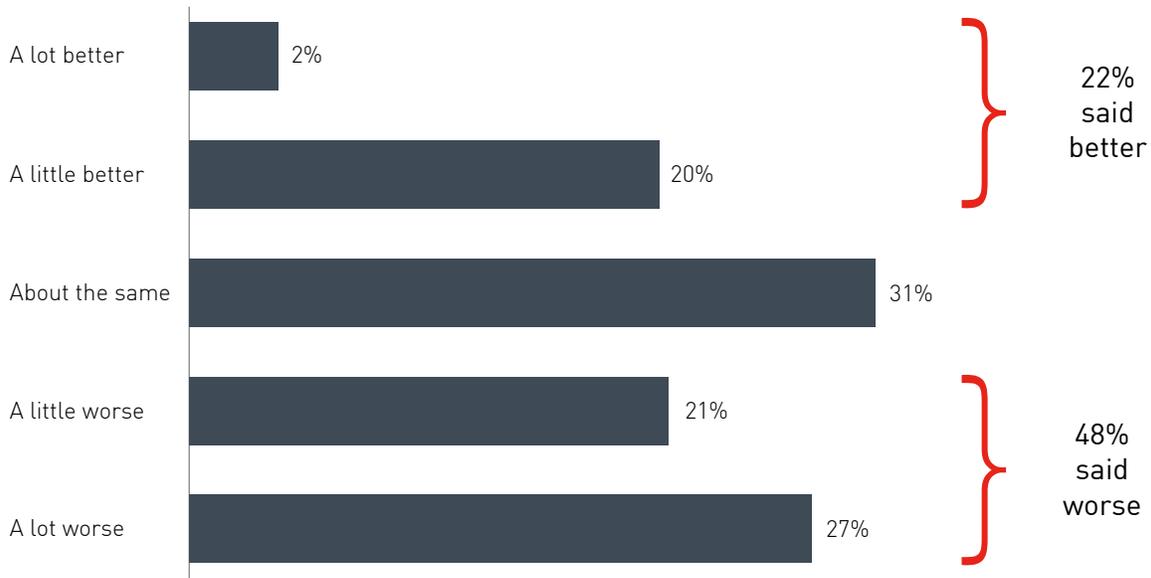
In contrast, 19% of respondents said their same-store sales were higher in March 2021 compared to March 2020. Not surprising, the results depended on their current level of operations. While 30% of those who were open for dine-in service (at a reduced capacity) reported higher sales in March, only 13% of those relying solely on takeout and delivery reported higher sales.

### Share of respondents reporting higher, lower or about the same sales volume compared to a year ago



**Q: Was your total sales volume, higher, lower, or about the same as it was compared to the same month last year?**

**Of those that reported lower sales in March, 48% said the drop in sales was worse in March compared to the decline in February**



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

Given the drop in revenues, nearly half of foodservice operators were operating at a loss and another 24% are just breaking even in early April.

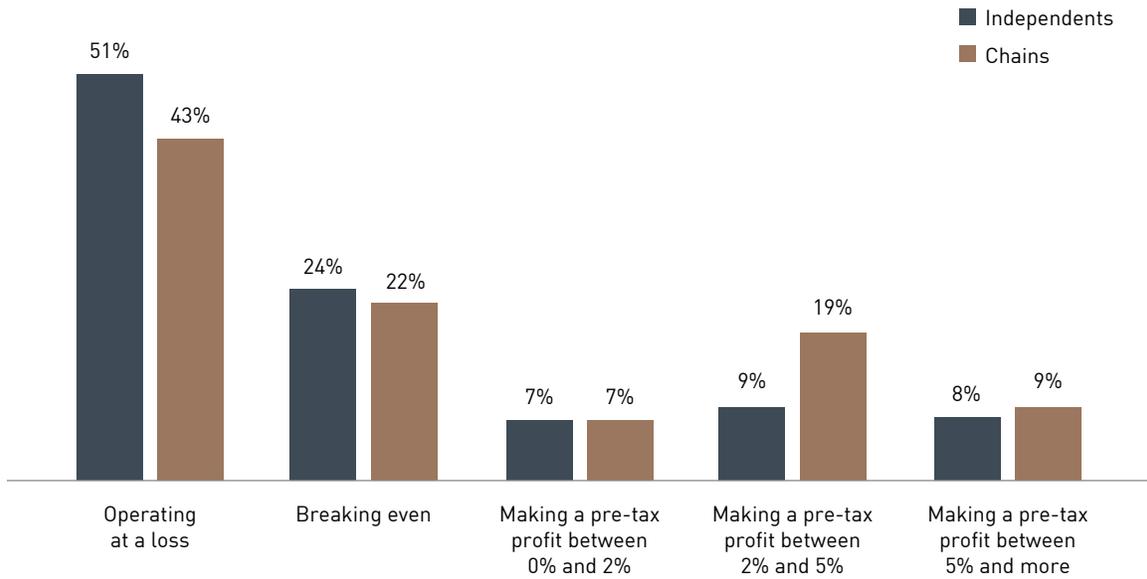
Once again, these results varied significantly by segment. 41% of quick-service restaurants were operating at a loss in the first week of April 2021 while 19% were earning a profit of 2% or more. By comparison, 50% of table-service restaurants and 54% of all other foodservice were operating at a loss.

Given current conditions, 75% of table-service restaurants said it would take 12 months or longer to return to profitability. To compare, 60% of quick-service restaurants and 64% of all other respondents said it would take 12 months or longer to return to profitability.

Profitability also varied on the current level of operations. Of those open for dine-in services (at reduced capacity), 36% said they were earning a profit. This compares to just 19% of those open for takeout and delivery only.

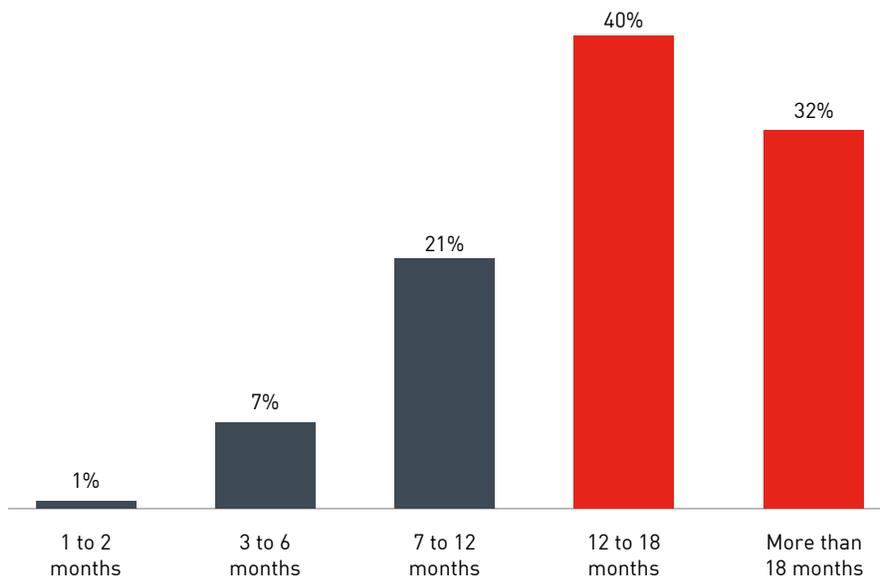
While being open for more avenues of business is a significant factor in improving profitability, foodservice operators who made changes to improve productivity and efficiency were also more profitable.

### Half of independent restaurants were operating at a loss in early April



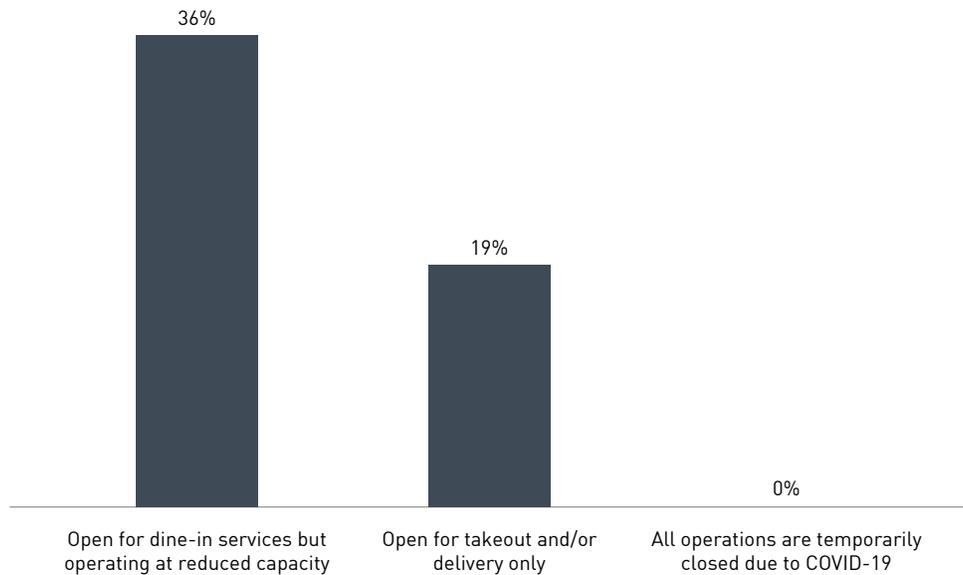
**Q: Which best describes the current profitability of your overall operations?**

### 72% of respondents expect it will take more than 12 months for their business to return to profitability



**Q: How many months do you expect it will take for your business to return to profitability?**

## Share of Respondents Earning A Profit in Early April Based on Current Level of Operations



## How Foodservice Businesses Changed During COVID-19

In order to survive, foodservice operators were forced to change and adapt to the severe disruptions to their business. The most popular changes were to amend their hours of operation, offering takeout and delivery and streamlining their menu.

Just over half of respondents (51%) said they were using social media more to reach out to their guests. For many, social media was the best way to notify guests that they were open, share new hours of operation, promote their menu and encourage guests to order by takeout/delivery if the on-premise portion of their business was closed. Beyond that, restaurants shared their favourite recipes and cooking tips, and highlighted the health and safety measures they put in place to keep guests and staff safe.

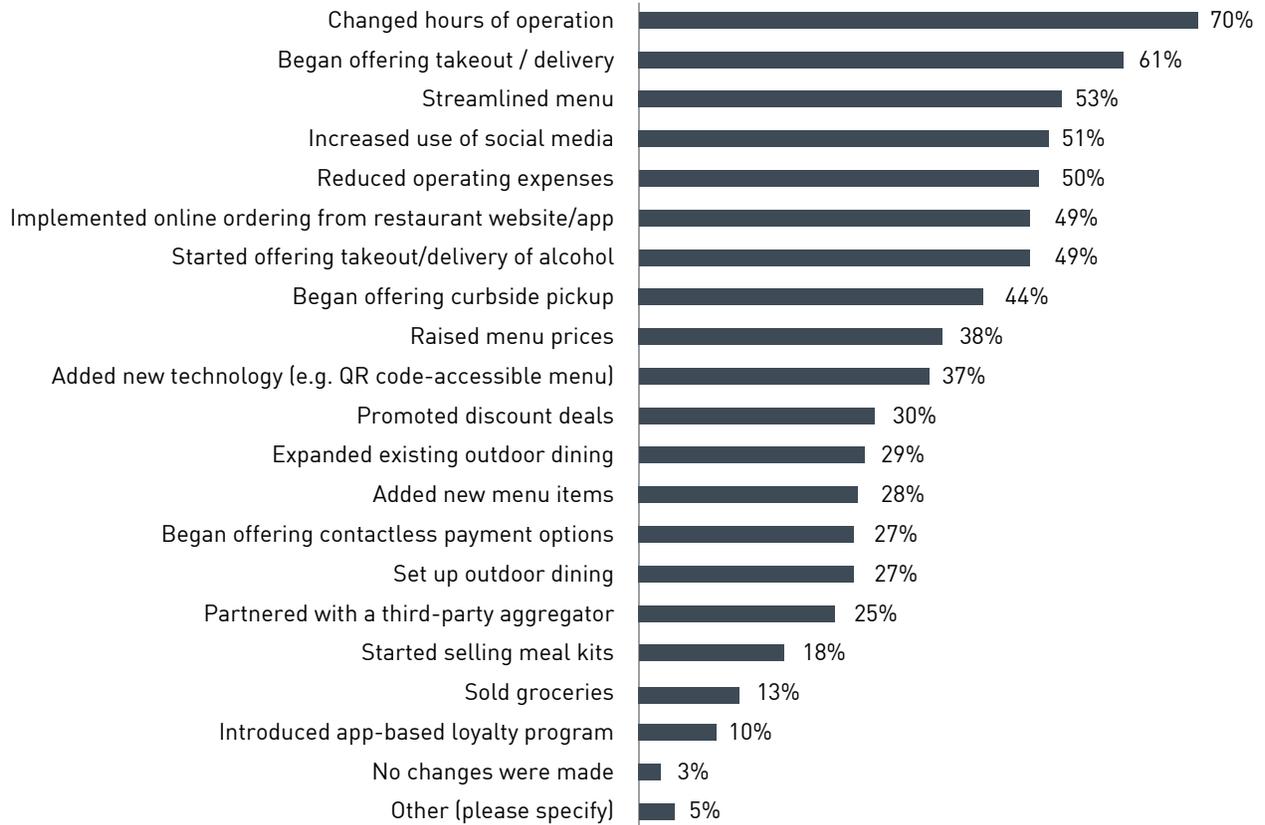
Other notable changes include the offering of takeout and delivery of alcohol for the first time (six in 10 table-service restaurants), and 34% who expanded existing outdoor dining.

Half of restaurant operators reported they looked for ways to reduce operating expenses.

Technology was another way in which foodservice operators changed their business over the past 12 months. Nearly half of respondents said they implemented online ordering from their restaurant website or app and 37% added new technology such as a QR code-accessible menu.

As was discussed at length in the Q4 2020 Restaurant Outlook Survey, 18% of respondents said they began selling meal kits and 13% sold groceries.

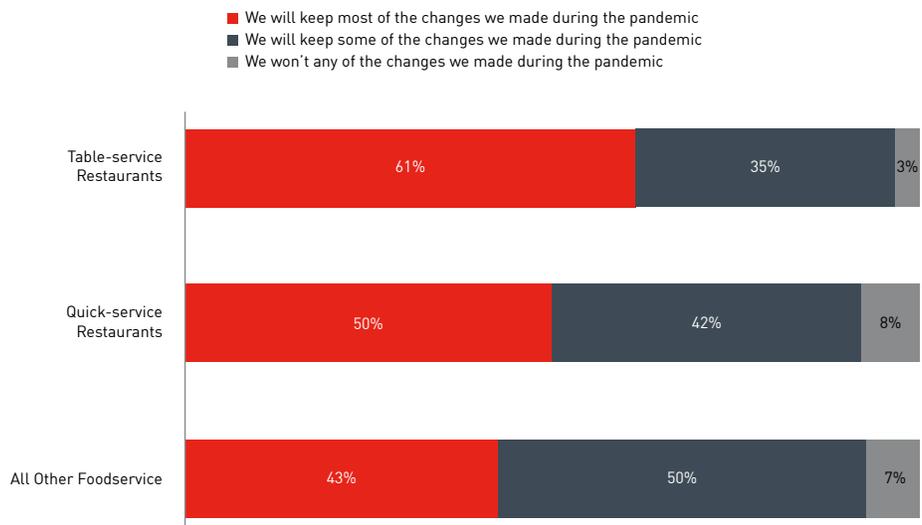
**In order to survive, what changes have you made to your foodservice operations since the start of the pandemic in March 2020?  
(choose all that apply)**



Overall, 97% of foodservice businesses made some changes to their business, and most of the changes will be permanent. 56% of respondents said they will keep most of the changes they made during the pandemic and another 40% said they will keep most of the changes.

**Six in 10 table-service restaurants will keep most of the changes they made during the pandemic**

**Q: Will you keep the changes you've made to your foodservice operations after COVID-19 has subsided?**



When we asked, we received a variety of responses in terms of which changes they will keep – from take-out and alcohol delivery through curbside pickup and contactless payments to selling groceries.

As stated by one respondent:

*We plan to keep a shorter week, only opening Tuesday to Saturday in order to keep staffing levels lower and allow for two days off for all staff. Which in turn will decrease the overall labor cost. The menu price increases will be kept and may go up even more. Meal kits and delivery will also remain. A push on all social media outlets will also continue.*

Another spoke on the focus on safety:

*Our new customer safety measures (touchless payment, online order, curb pickup, deliveries, expand outdoor serving) are in place to stay. Gives customers a more safe and independent way of shopping.*

*And many of the changes are being driven by the consumer: All the changes (take out, delivery, curbside pickup, frozen products to go). The behaviour of the customers would continue to evolve depending on the type of food/ service, but would keep the instant access of selecting food from their phones.*

While some operators cut costs, others looked for new opportunities:

*Everything we have had to do to survive until now was all about driving new revenue streams - albeit not as profitable as regular dine-in service. We will keep all of them in hopes to be better and more diverse, as this has taught us that you can always be locked down any time. There are no guarantees anymore.*

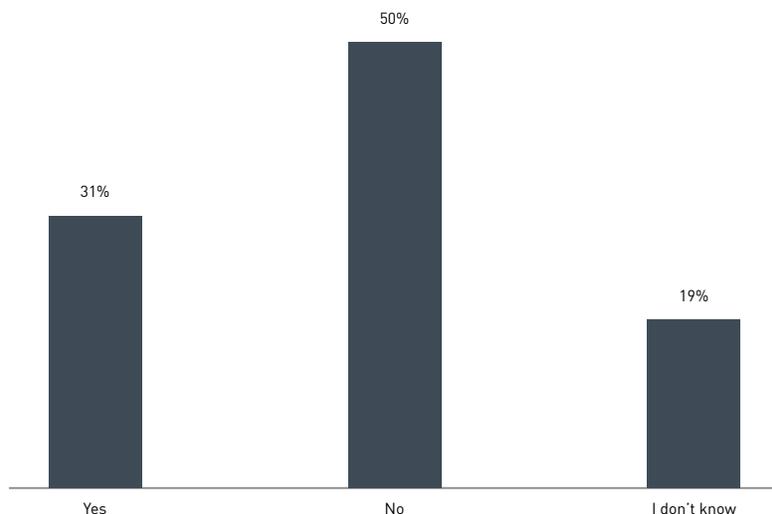
## Efficiency and Productivity

A crisis such as the pandemic forces operators to evaluate every part of their business. Whether it cost cutting, introducing new technology, or bringing in other operational changes, foodservice owners looked for news ways to try and survive.

While most businesses made some changes to their operations, a somewhat surprising 30% of foodservice respondents believe the pandemic made their foodservice operation more efficient and productive compared to March 2020. The figure is slightly higher for quick-service restaurants, at 36%.

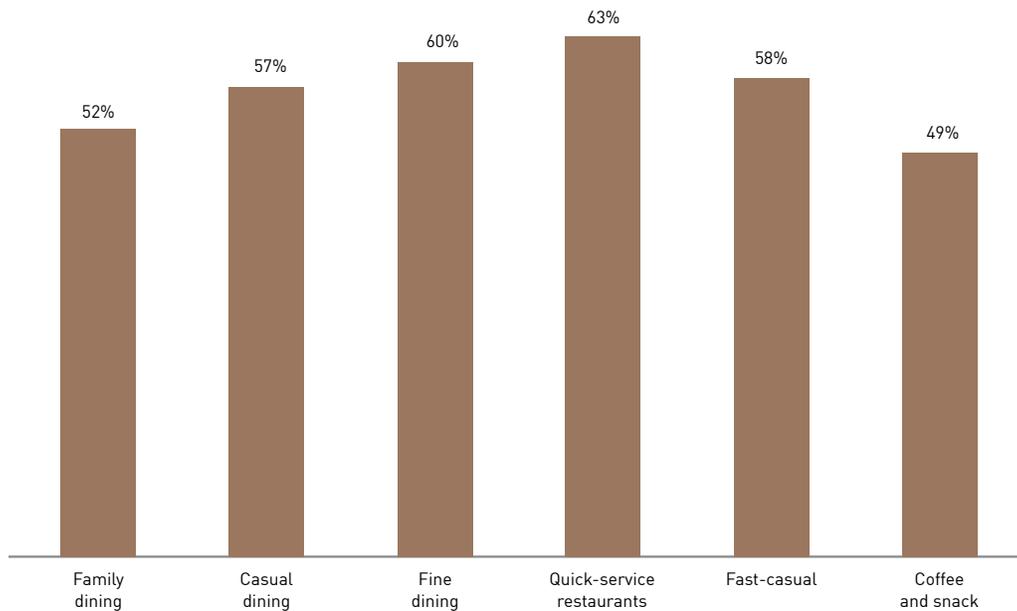
**Three in 10 respondents said that the pandemic has made their foodservice operations more efficient and productive since March 2020**

**Q: Do you believe the pandemic has made your foodservice operations more efficient and productive since March 2020?**



These results are in sharp contrast to the United States where the National Restaurant Association asked a similar question in their 2021 State of the Restaurant Industry. In the US, a significantly higher share of operators reported that their operations were more efficient and productive since the beginning of the outbreak in March. Of course, restaurants in the United States have been open for much longer than here in Canada, which would account for the significant difference between the two countries. It does indicate some promising improvements in productivity and efficiency for the foodservice industry once restaurants are able to open up on a more permanent basis.

### United States: Share of restaurant operators who say their operation has become more efficient and productive since the beginning of the outbreak in March 2020

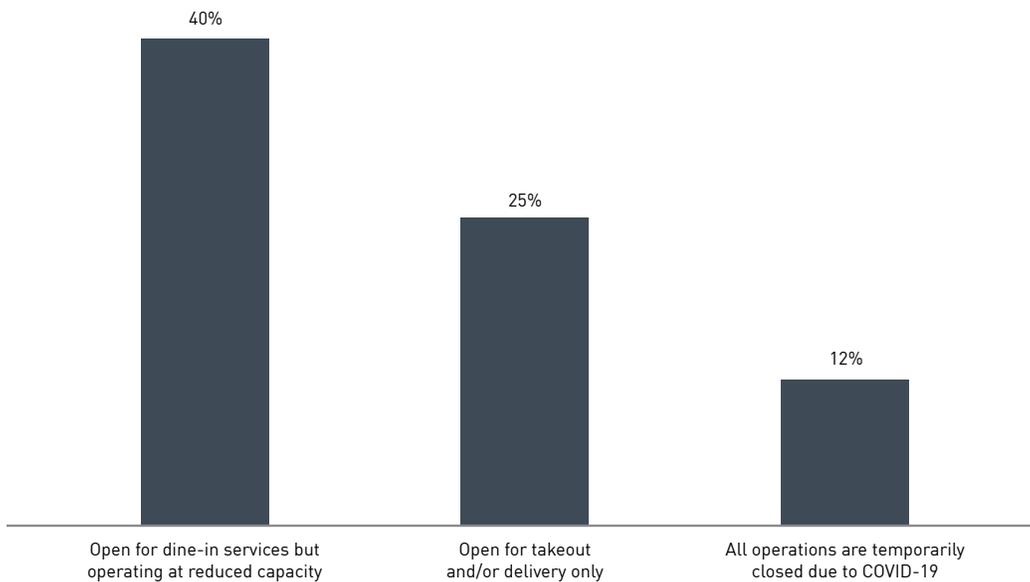


Source: National Restaurant Association



Looking deeper into the data, 40% of those who were open for dine-in service (at a reduced capacity) were much more likely to believe they were more productive and efficient. By comparison, 25% of those who rely solely on takeout/delivery believe they are more productive and just 12% of respondents whose operations were temporarily closed believe they are more productive.

### Four in 10 respondents that were open for dine-in service believe their operations were more productive since March 2020



#### Q: Do you believe the pandemic has made your foodservice operations more efficient and productive since March 2020?

While operational circumstances (being open for dine-in or solely for takeout and delivery) are one factor explaining why some operators believe they are more productive, another factor could be the changes they made to their business during the last 12 months.

For example, of those who believe they are more productive compared to a year ago, 64% said they had streamlined their menu compared to only 48% of those who believe there was no change in their productivity. Similarly, of those who are more productive, 61% reduced their operating expenses compared to only 48% of those who did not see any productivity gains. Those who were more productive were also more likely to have implemented online ordering from their website/app and added new technology.

Conversely, those that promoted discount deals were less likely to believe their business was more productive.

## Share of Respondents that Made the Following Changes to their Business

(comparing those that said they are more productive and those that did not see any productivity gains)

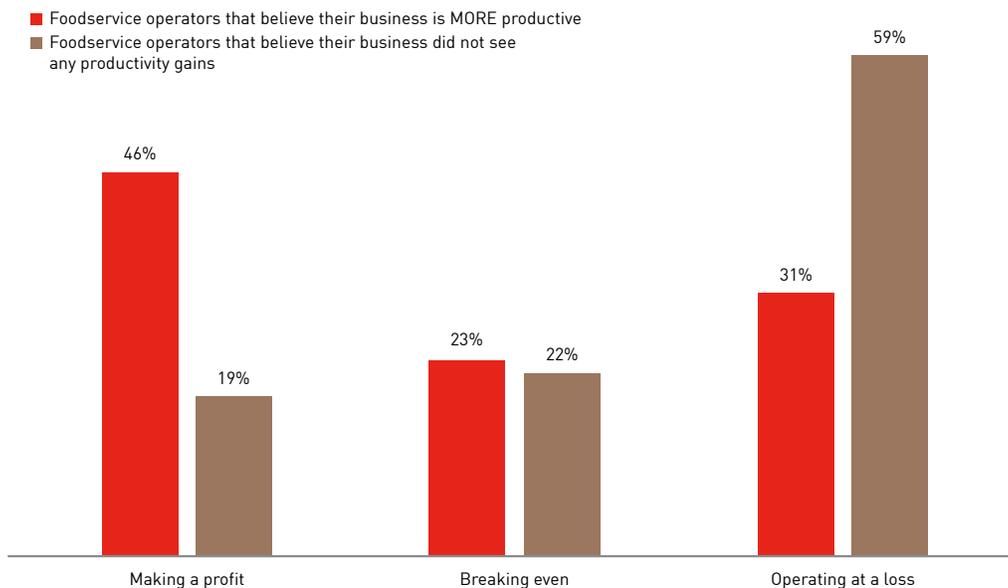
	Foodservice operators that believe their business is MORE productive	Foodservice operators that believe their business did not see any productivity gains	Gap between those that believe they are more productive and those that do not
Streamlined menu	64%	48%	15%
Reduced operating expenses	61%	48%	12%
Increased use of social media	61%	50%	10%
Implemented online ordering from restaurant website/app	59%	51%	8%
Added new technology (e.g. QR code-accessible menu)	41%	35%	7%
Promoted discount deals	21%	34%	-13%

Productivity improvements also impacted profitability. Of those who believe they are more productive, 46% were making a profit while 31% were operating at a loss. Conversely, of those who did not see any productivity gains, just 19% were making a profit and 59% were operating at a loss. As stated earlier, those who are profitable were more likely to be open for dine-in rather than just relying on takeout and delivery. Still, operational changes are also important factors for restaurants to become more productive and efficient.

As stated by one operator on productivity and efficiency:

We need to operate as lean as possible. Streamlined menus, rethinking process flows to reduce labour costs.

### 46% of those that believe they are more productive are currently making a profit



## The Road Ahead

Over the remainder of 2021, six in 10 respondents said that the top challenge for them will be additional government-mandated shutdowns. This issue was a significantly greater issue for table-service restaurants (65%) than for quick-service restaurants (54%). Just over half of all respondents said that debt incurred due to COVID-19; food costs and labour costs will be the top challenges for their business.

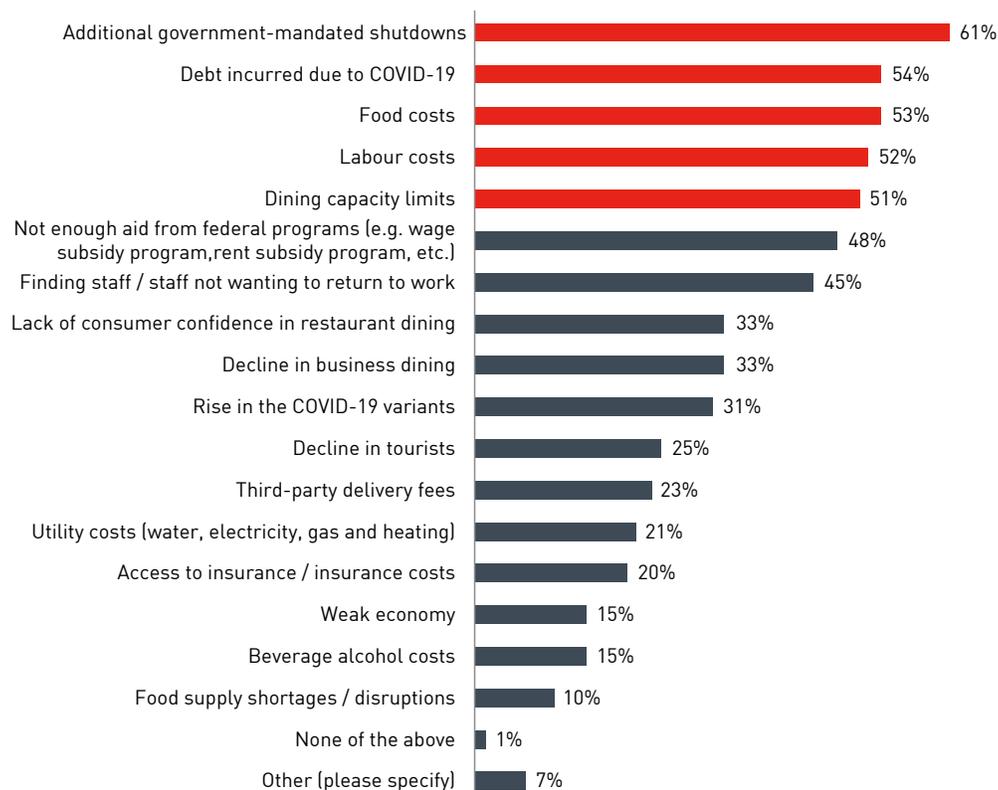
More than half (53%) of table-service restaurants are worried they will not receive enough aid from federal programs (such as the wage subsidy program or the rent subsidy program). As explained by one respondent:

We are doing whatever it takes to keep our doors open. We have taken a huge hit and the only way we are surviving is the government's help. The government percentage for help is not nearly enough, though.

Four in 10 table-service restaurants are also concerned that there could be a lack of consumer confidence in restaurant dining when the business reopens. That said, a recent public opinion poll by Angus Reid shows a majority of Canadians are looking forward to returning back to dining out at a table-service restaurant with their friends and family on a regular basis. Overall, 56% said they will visit a table-service restaurant sometime in 2021, while another 31% will return once they are vaccinated and/or we reach herd immunity in the Canadian population – which should also be sometime in 2021. Only 6% of Canadians said they will wait until 2022, and 7% didn't know when they would return back out.

Given that delivery accounts for a growing share of sales, four in 10 quick-service restaurants expect third-party delivery fees to be a top challenge for their business over the remainder of 2021, compared to 20% of table-service restaurants.

### What do you expect will be the top challenges for your foodservice business for the remainder of 2021? (Respondents could choose up to a maximum of five)



## A Look to the Future as the Pandemic Subsides

While there is no firm timeline for the end of the pandemic, when we asked operators to look ahead into the future, nearly seven in 10 respondents said that paying down the debt they accumulated during the pandemic will be the number one priority for their foodservice business. Over six in 10 respondents expect that reducing operating costs and bringing back/finding new staff will be the biggest challenge for their business.

Labour remains one of the biggest differences between segments. After being forced to lay off employees, 63% of table-service restaurants will make bringing back/finding staff a top priority compared to 49% of quick-service restaurants.

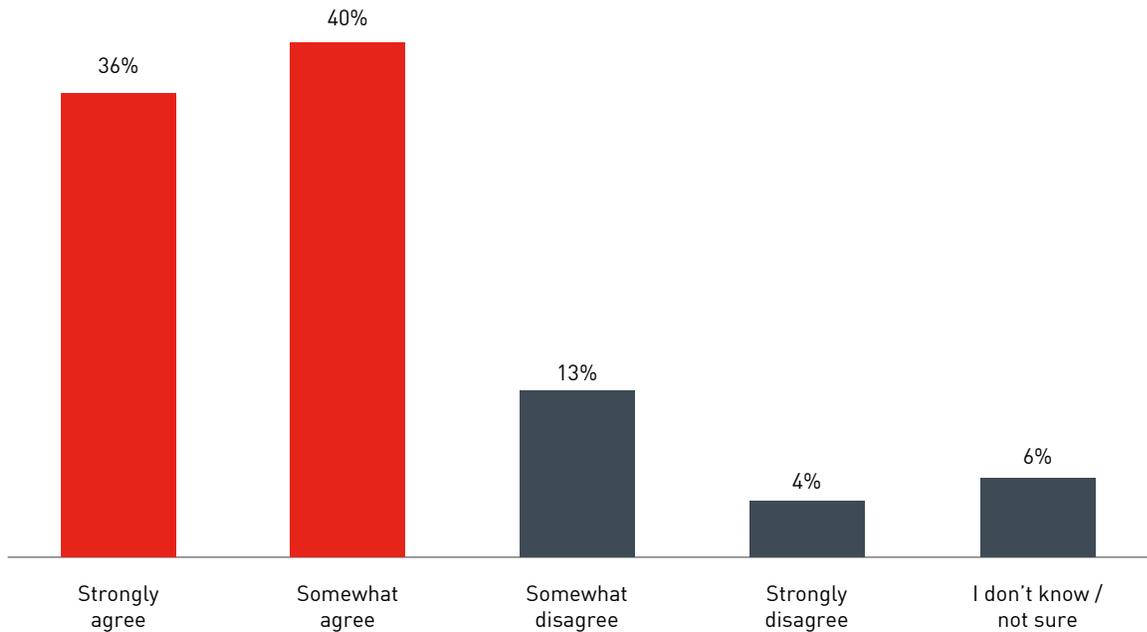
**As the pandemic subsides, which of the following will be the top priorities for your foodservice business? (Please select all that apply)**



There is also a general agreement that the foodservice has been forever changed by the pandemic and the industry will not go back to the way things were. While roughly eight in 10 agree of respondents agree with this statement, the degree to which they agree varies by segment.

Table-service restaurants are likely to see the biggest transformation due to this crisis as 42% “strongly agree” that the foodservice industry has been changed forever. This compares to 26% of quick-service restaurant respondents who “strongly agree”. Interestingly, while 22% of the ‘all other foodservice’ category – which includes accommodation, institutions and bars -- “strongly agree” that foodservice has been forever changed, nearly 20% “disagree” and 10% “don’t know”.

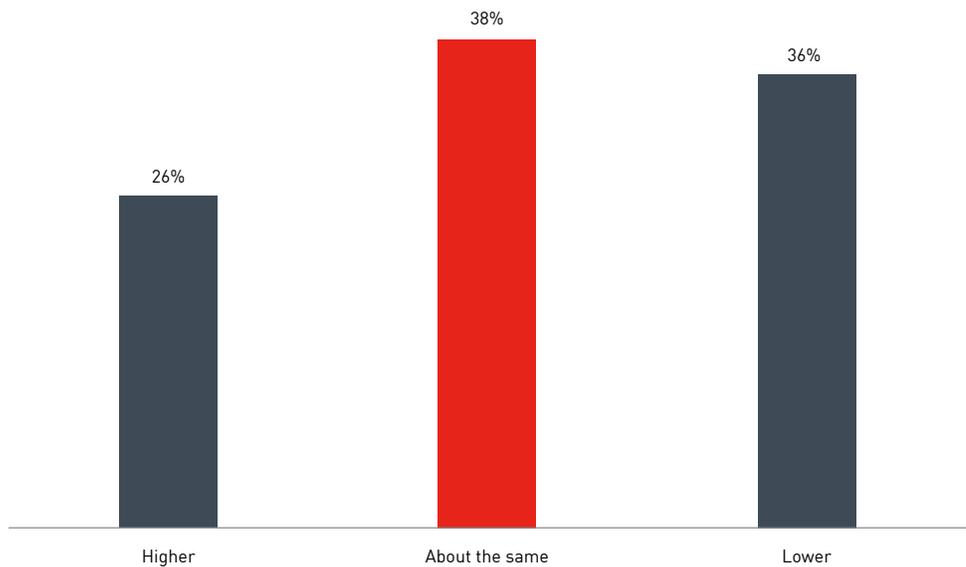
76% of respondents agree that Canada’s foodservice industry has been forever changed



**Q: To what extent do you agree or disagree with the following statement: Canada’s foodservice industry has been forever changed and we will NOT go back to the way things were once the pandemic subsides.**

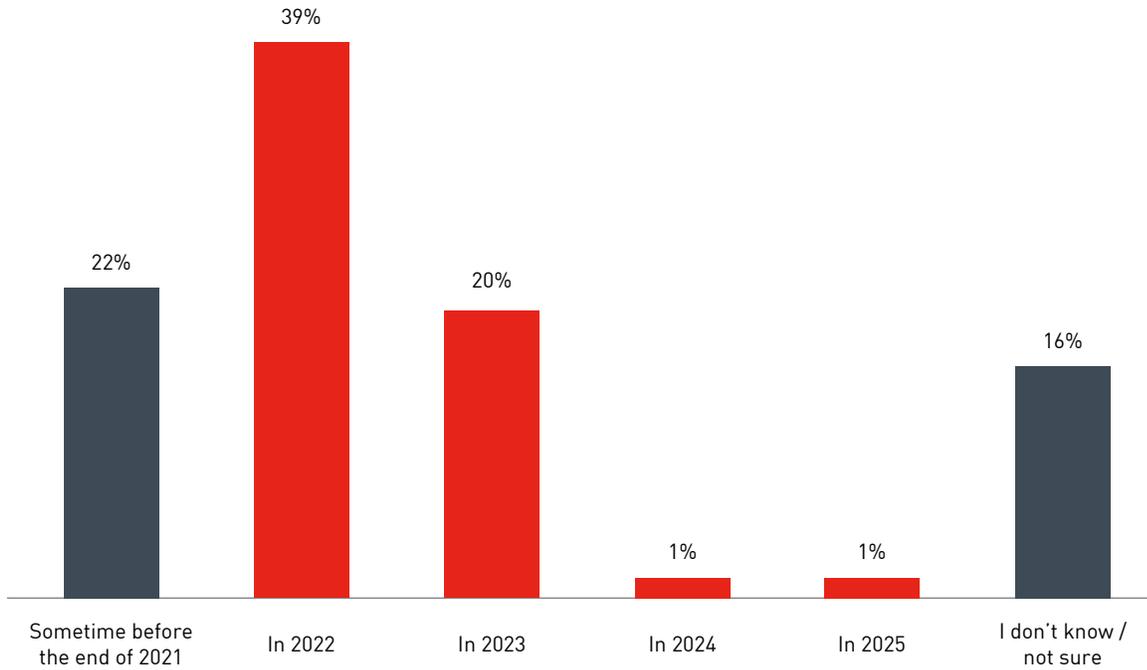
Another area of the foodservice that will be impacted once the pandemic subsides is employment levels. While 38% of respondents said they expect their staffing levels will be about the same as prior to the pandemic, 26% said they expect their staffing levels will be higher while 36% expect staffing levels will be lower. While part of this could be due to operational efficiencies, there is also a significant concern that people may not want to return back to their jobs once the pandemic subsides.

**Once the pandemic subsides, do you expect your staffing levels will be higher, lower, or about the same as prior to the pandemic?**



For those who expect to maintain or increase their staffing levels, 22% expect staffing levels will return to pre-pandemic levels sometime before the end of 2021, while another 39% believe this will happen sometime in 2022. Just over one in five respondents expect their staffing levels won't return to pre-pandemic levels until 2023 or later, and another 16% are not sure.

**6 out of 10 respondents said they don't expect their staffing levels to return to pre-pandemic levels until at least 2022**



**Q: When do you expect staffing levels at your foodservice business to return to pre-pandemic levels?**



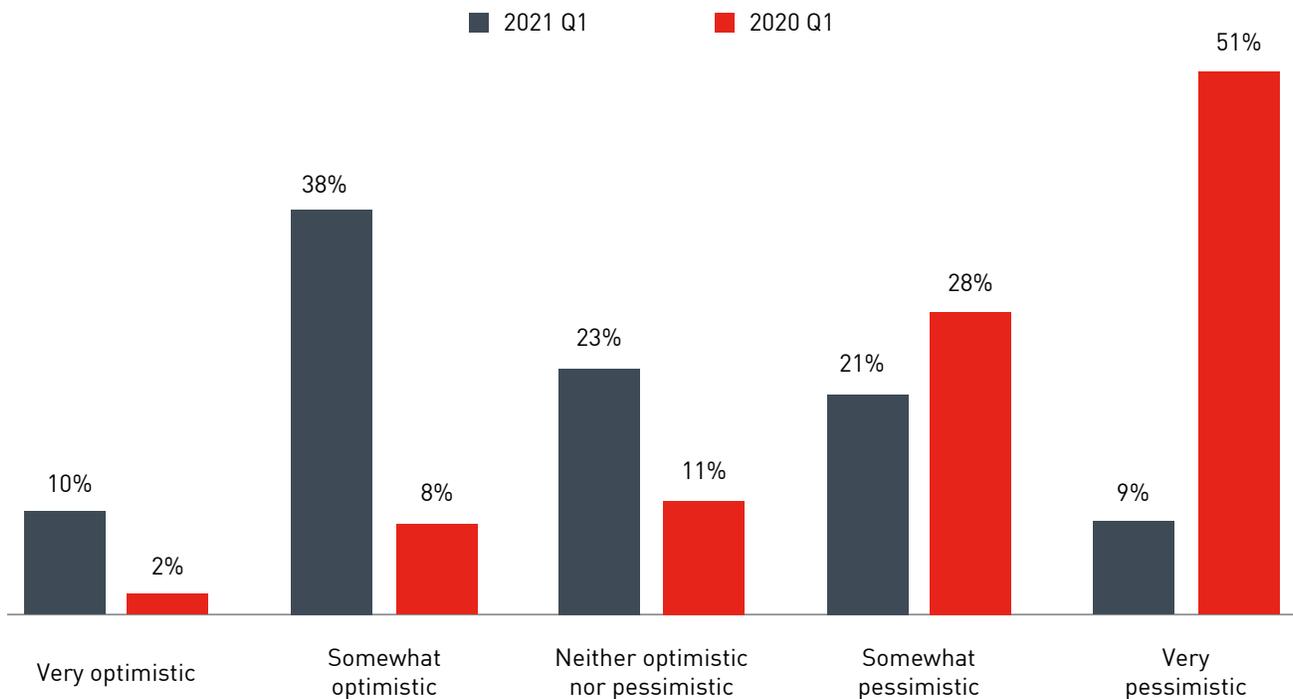
## A Return to Optimism?

The pandemic has had a negative impact across the entire foodservice industry. But despite the uncertainty, there is a growing sense of optimism. As we look ahead, roughly half (48%) of respondents are feeling “very” or “somewhat” optimistic about the next 12 months. In contrast, 30% are feeling pessimistic about the next 12 months, with only 9% feeling “very pessimistic”. One year ago, only 10% were feeling optimistic about the foodservice industry given the pandemic and lockdown restrictions.

Quick-service restaurants are the most optimistic about the future with 54% of respondents “very” or “somewhat” optimistic. By comparison, 48% of table-service restaurants and 43% of all other foodservice are feeling optimistic.

Of those operators with higher profit margins, who were generally open throughout Q1 2021 and believe they are more productive, 63% are optimistic about the next 12 months. In contrast, 40% of those who struggled to maintain profitability and had lower sales are feeling optimistic about the next 12 months.

### Nearly half of respondents are optimistic about their business over the next 12 months compared to the previous 12 months



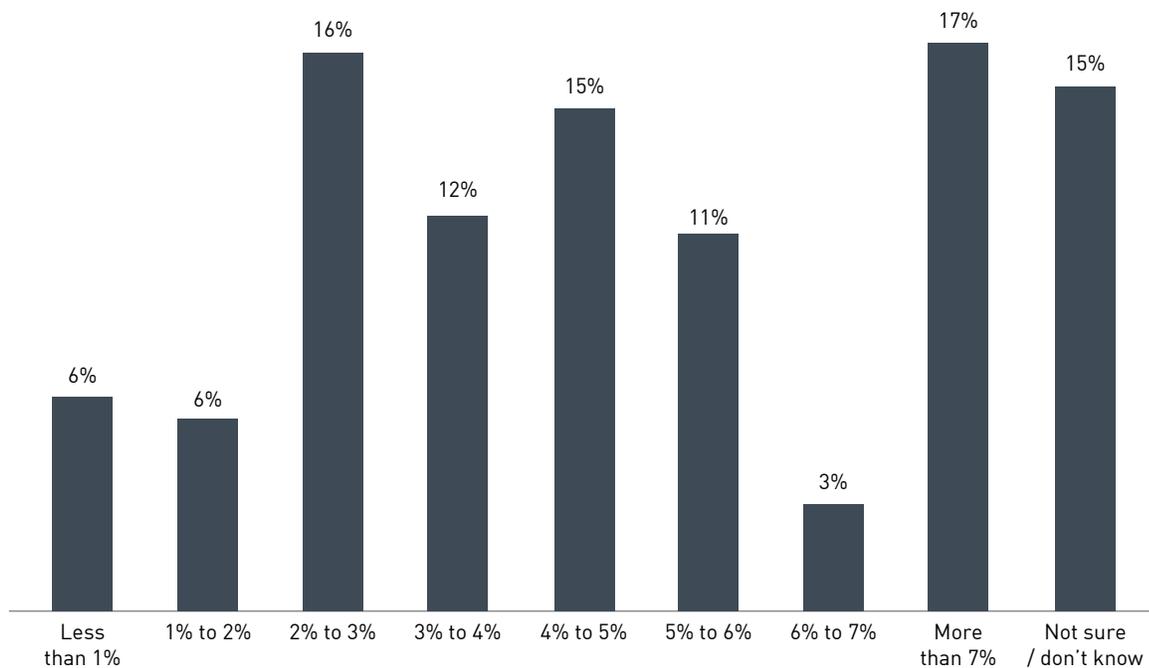
**Q: How optimistic are you about your foodservice business over the next 12 months compared to the previous 12 months?**

## Menu Inflation

Menu prices were 2.8% higher in March 2021 compared to a year ago. In the first quarter of 2021, menu prices have risen significantly compared to an average menu inflation rate of 2.2% in 2020. This is due to rising food costs, labour costs, combined with additional operating expenses such as PPE, insurance. For others, operating at less than optimal capacity is leading to higher prices.

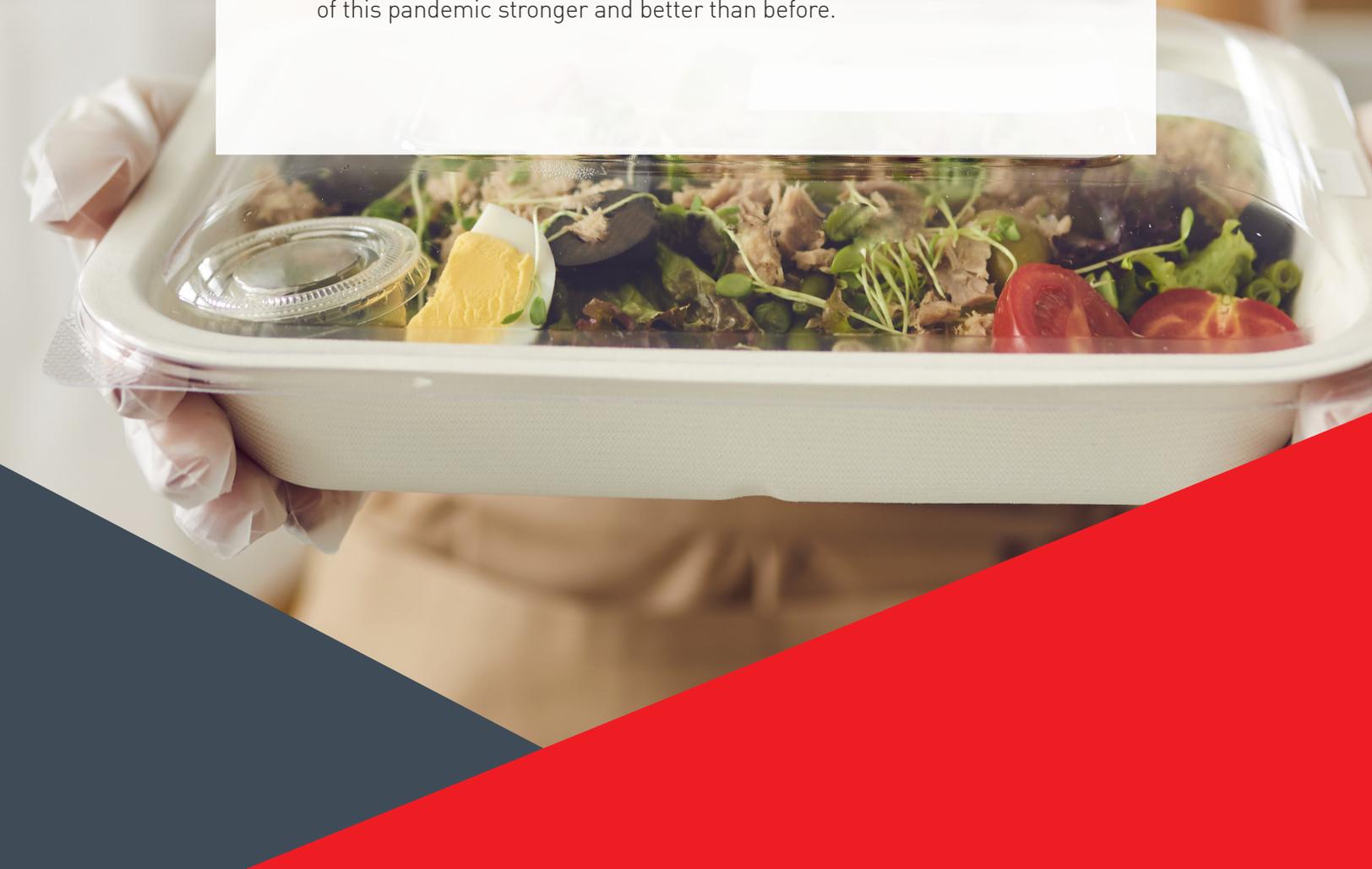
Nearly half of respondents said they would be raising their menu prices by 4% or more over the next 12 months, with 17% saying they will increase their menu prices by more than 7%. By segment, quick-and full-service restaurants estimate they will be raising their menu prices by 4.6% over the next 12 months compared to a 4% increase for all other segments.

Over the next 12 months, by how much do you expect you will raise your menu prices?



## Summary

Although the foodservice industry is facing difficult times and uncertainty in this third wave, foodservice operators are ready to open up and are feeling optimistic about the future. As the industry reopens, we can expect to see more foodservice operators embrace technology (such as QR codes), more streamlined menus and a continued emphasis on health and safety. At the same time, reopening will also mean higher menu prices, facing the uncertainty of further lockdowns, and make it more challenging to find and retain staff. The industry, however, is resilient and we believe will come out of this pandemic stronger and better than before.



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	40%	18%	43%	42%
Open for takeout and/or delivery only	55%	85%	53%	42%
All operations are temporarily closed due to COVID-19	11%	5%	9%	20%
Permanently closed due to COVID-19	4%	8%	4%	5%
Seasonal operation that is currently closed	3%	0%	2%	8%

In February 2021, was your total sales volume, higher, lower, or about the same as it was compared to February 2020?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Higher	4%	11%	3%	2%
About the same	6%	5%	7%	4%
Lower	90%	84%	90%	94%

In March 2021, was your total sales volume, higher, lower, or about the same as it was compared to March 2020?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Higher	19%	24%	20%	13%
About the same	14%	14%	13%	17%
Lower	67%	62%	67%	70%

How did your decline in total sales volume in March 2021 compare to February 2021?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
A lot worse	27%	17%	28%	30%
A little worse	21%	39%	20%	9%
About the same	31%	26%	33%	24%
A little better	20%	17%	16%	36%
A lot better	2%	0%	2%	0%

### Which best describes the current profitability of your overall operations?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Operating at a loss	49%	41%	50%	54%
Breaking even	24%	27%	24%	22%
Making a pre-tax profit between 0% and 2%	7%	14%	6%	9%
Making a pre-tax profit between 2% and 5%	11%	11%	11%	13%
Making a pre-tax profit of 5% or more	8%	8%	10%	2%

### 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	1%	0%	1%	0%
3 to 6 months	7%	7%	6%	12%
7 to 12 months	21%	33%	18%	24%
12 to 18 months	40%	33%	38%	48%
More than 18 months	32%	27%	36%	16%

### Do you believe the pandemic has made your foodservice operations more efficient and productive since March 2020?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Yes	31%	36%	30%	29%
No	50%	54%	50%	48%
I don't know	19%	10%	19%	23%



**In order to survive, what changes have you made to your foodservice operations since the start of the pandemic in March 2020? (choose all that apply)**

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Changed hours of operation	70%	72%	74%	61%
Began offering takeout / delivery	61%	38%	65%	61%
Streamlined menu	53%	44%	58%	46%
Increased use of social media	51%	51%	55%	40%
Reduced operating expenses	50%	64%	52%	40%
Implemented online ordering from restaurant website/app	49%	51%	51%	45%
Started offering takeout/delivery of alcohol	49%	21%	59%	36%
Began offering curbside pickup	44%	38%	47%	36%
Raised menu prices	38%	41%	39%	35%
Added new technology (e.g. QR code-accessible menu)	37%	31%	41%	27%
Promoted discount deals	30%	49%	27%	28%
Expanded existing outdoor dining	29%	15%	34%	20%
Added new menu items	28%	31%	28%	27%
Began offering contactless payment options	27%	31%	31%	16%
Set up outdoor dining	27%	15%	33%	16%
Partnered with a third-party aggregator	25%	33%	27%	15%
Started selling meal kits	18%	5%	22%	16%
Sold groceries	13%	21%	12%	11%
Introduced app-based loyalty program	10%	15%	10%	7%
No changes were made	3%	5%	2%	5%
Other (please specify)	5%	10%	3%	7%

**Will you keep the changes you've made to your foodservice operations after COVID-19 has subsided?**

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
We will keep most of the changes we made during the pandemic	56%	50%	61%	43%
We will keep some of the changes we made during the pandemic	40%	42%	35%	50%
We won't keep any of the changes we made during the pandemic	5%	8%	3%	7%

**Do any of your foodservice establishments offer any of the following options for guests to order food and beverages and pay their bill? (Please select all that apply)**

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
App on smartphone	24%	51%	22%	14%
Computer tablet at the table	7%	8%	8%	5%
Kiosk	2%	10%	2%	0%
None of the above	71%	44%	72%	83%

**What do you expect will be the top challenges for your foodservice business for the remainder of 2021? (Choose up to a maximum of five)**

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Additional government-mandated shutdowns	61%	54%	65%	55%
Debt incurred due to COVID-19	54%	49%	55%	52%
Food costs	53%	69%	51%	52%
Labour costs	52%	51%	52%	53%
Dining capacity limits	51%	36%	53%	52%
Not enough aid from federal programs (e.g. wage subsidy program, rent subsidy program, etc.)	48%	38%	53%	38%
Finding staff / staff not wanting to return to work	45%	31%	47%	45%
Lack of consumer confidence in restaurant dining	33%	21%	39%	24%
Decline in business dining	33%	36%	36%	24%
Rise in the COVID-19 variants	31%	36%	32%	27%
Decline in tourists	25%	23%	26%	21%
Third-party delivery fees	23%	41%	20%	23%
Utility costs (water, electricity, gas and heating)	21%	21%	19%	27%
Access to insurance / insurance costs	20%	15%	17%	29%
Beverage alcohol costs	15%	3%	15%	20%
Weak economy	15%	18%	14%	15%
Food supply shortages / disruptions	10%	13%	11%	9%
None of the above	1%	0%	1%	2%
Other (please specify)	7%	3%	6%	9%

As the pandemic subsides, which of the following will be the top priorities for your foodservice business?  
(Please select all that apply)

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Pay down debt accumulated during the pandemic	68%	54%	71%	66%
Reduce operating costs	64%	67%	64%	63%
Bring back or find new staff	62%	49%	63%	68%
Raise menu prices	40%	21%	43%	40%
Improve guest experience	39%	36%	40%	38%
Integrate new technology into my business	34%	38%	34%	31%
Improve staff training	31%	18%	33%	31%
Improve inventory management	25%	26%	25%	25%
Improve workplace culture	22%	8%	24%	24%
Introduce healthy items to the menu	16%	13%	17%	15%
Add a new profit centre	15%	13%	16%	13%
Open a new location	9%	13%	10%	4%
Close a location	7%	8%	7%	6%
Other (please specify)	3%	5%	3%	1%

To what extent do you agree or disagree with the following statement: Canada's foodservice industry has been forever changed and we will NOT go back to the way things were once the pandemic subsides.

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Strongly agree	36%	26%	42%	22%
Somewhat agree	40%	56%	35%	48%
Somewhat disagree	13%	10%	12%	18%
Strongly disagree	4%	3%	5%	1%
I don't know / not sure	6%	5%	5%	10%

Once the pandemic subsides, do you expect your staffing levels will be higher, lower, or about the same as prior to the pandemic?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Higher	26%	44%	25%	20%
About the same	38%	28%	40%	38%
Lower	36%	28%	35%	42%

### When do you expect staffing levels at your foodservice business to return to pre-pandemic levels?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Sometime before the end of 2021	22%	14%	22%	27%
In 2022	39%	46%	42%	22%
In 2023	20%	21%	18%	27%
In 2024	1%	0%	1%	3%
In 2025	1%	0%	1%	0%
I don't know / not sure	16%	18%	15%	22%

### How optimistic are you about your foodservice business 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%	10%	11%	5%
Somewhat optimistic	38%	44%	37%	38%
Neither optimistic nor pessimistic	23%	15%	24%	25%
Somewhat pessimistic	21%	28%	19%	22%
Very pessimistic	9%	3%	10%	10%

### Over the next 12 months, by how much do you expect you will raise your menu prices?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Less than 1%	6%	5%	5%	10%
1% to 2%	6%	10%	5%	5%
2% to 3%	16%	13%	16%	17%
3% to 4%	12%	5%	13%	11%
4% to 5%	15%	15%	12%	22%
5% to 6%	11%	8%	12%	10%
6% to 7%	3%	5%	3%	3%
More than 7%	17%	18%	18%	11%
Not sure / don't know	15%	21%	16%	11%

Compared to a normal year, are the insurance rates for your foodservice establishment(s) higher, lower or about the same?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Significantly higher	35%	34%	33%	44%
Somewhat higher	25%	26%	26%	19%
About the same	29%	29%	29%	30%
Somewhat lower	4%	3%	4%	4%
Significantly lower	1%	3%	1%	0%
I don't know / not sure	5%	5%	6%	4%

How many units do you own and/or operate?

	Total Foodservice	Quick-service Restaurants	Table-service Restaurants*	All Other Foodservice**
Number of Responses	345	39	219	87
Number of Units	5,097	2,777	2,175	145

\* 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 second quarter are compiled from responses to an email to foodservice operators inviting them to take an online survey. The survey was conducted in April 2021.

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.

Before the start of the COVID-19 pandemic, Canada's foodservice sector was a \$95 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.



**Restaurants  
Canada**

The voice of foodservice | La voix des services alimentaires

## For further information

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