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HOSPITALITY
**AND THE
NEW NORMAL**

INDUSTRY REPORT MARCH 23, 2020



SRG

Necessity is the mother of **invention**

“You have a creative industry facing a very unique challenge. And that is spurring a lot of people to come up with ideas and approaches that they would never otherwise consider.”

- Adam Weisblatt, co-owner of
Found Oyster and Same Same, CA





Seemingly overnight, the world is a different place. Wait lists at restaurants and overbooked airlines have moved to drive-through, delivery and forced staycations. The hospitality industry has had to pivot drastically, facing a multitude of issues. This report covers emerging themes and provides ideas and inspiration for our many friends, colleagues and clients as we look to the future together.

Perhaps “social distancing” is an inaccurate term. As we all face isolation and confinement, physical distance is reinforcing the need for social connectivity. People are coming together on group chats and in virtual meetings. We are more responsive and communicative. And we are experiencing unparalleled empathy and intimacy – taking calls in our PJs and seeing each others’ homes and families. Creative ways to entertain are being adopted, including virtual happy hours, cooking classes and competitions.

Hopefully, we will see a silver lining in these closer connections thanks to our long-distance relationships. In the meantime, we already miss getting together at our favorite places.

To the restaurateurs and the countless people who make up our foodservice and hospitality businesses, SRG stands by you. We know you and have worked with you. And we will be there for you today and tomorrow as we navigate and come through this together. **#saverestaurants.**



01 — People

Employees and guests are experiencing a complete lifestyle change. Restaurants are coming together to connect with one another and their communities more than before. How can brands manage the need for physical distance and more social bonding?

“The local and national government is providing very little guidance, so we’ve taken it into our own hands... It’s helping to have this community unity.”

Ilma Lopez | Chaval and Piccolo (Portland, ME)

OUR GUESTS AND EMPLOYEES

Reassuring and reframing experiences.

The world has changed dramatically, and everyone is working with new standards of service. How can brands clearly communicate during this turbulent time?



NOW

Keep calm and carry out

Remind guests that they can still order delivery and takeout and enjoy a safe, healthy experience. Reassure people that restaurants have always had food-safety procedures in place to manage cross-contamination, and then up the ante with new “no-contact delivery” protocols and details about what you’re doing to ensure health and safety.

TAMPER-PROOF PACKAGING AND SAFETY SEALS

CONTACT-FREE DELIVERY

KFC moves from “Finger-Lickin’ Good” to “Keeping Fully Clean”

Grub Hub distributes hand sanitizer and gloves to all drivers

SHORT-TERM

Make virtual connections

Replicate what guests crave most about dining out with at-home options that meet needs for bonding, escape and excitement, from date night deals to virtual pizza parties. Help team members stay in touch with new and improved connection points like email groups and online meetings, and rally around causes like making meals for kids in need.

HAPPY HOUR HANGOUTS

COMMUNITY KITCHEN MEALS

Chipotle and Zoom create lunchtime hangouts for virtual dining

Portland, ME restaurants put together meals for children

LONG-TERM

Reframe moments that matter

Optimizing guests’ path to purchase can help identify the moments that matter most and reframe them for in-home solutions. Curating menus for fewer, better items that travel well or tie into at-home entertainment can also motivate diners to order takeout and delivery.

LTOs INSPIRED BY HIT SHOWS

FLAVOR BRACKETS TO ELEVATE FAN-FREE SPORTS EVENTS

RESERVATIONS TO PICKUP MEALS

Jeni’s gives away Outlander-inspired ice cream, Claire’s Cabinet, during the latest episodes

Art of the Table in Seattle offers reservations to pickup a family meal of simple soul food

OUR COMMUNITY

Bringing together community.

Brands are rallying together in an unprecedented fashion and moving from being competitors to collaborators. How can brands reach out to those in need and create partnerships with like-minded companies?



#saverestaurants

Order lunch or dinner today from us, or anyone, and help #saverestaurants

It's happened. We are finally sick of watching the news. We just got an email from one of our all time favorite restaurants, True Food Kitchen, that they are having to shut down amid this crisis. The ban on dining rooms, while useful in "flattening the curve," is going to decimate our industry. Without your help, our industry is going to rapidly get damaged in an irreparable manner.

The government guidelines are to avoid large gatherings. We agree with that. Yet, the warehouse store parking lots were packed pre-open this morning and there were 100 people waiting in line to get in.

NOW

Restaurant team relief

The restaurant industry is only as strong as the employees who inhabit it. Layoffs and furloughs have become viral with a huge need to ensure workers are treated fairly during the crisis. Operators are motivated to provide for them as much as possible. Restaurants are finding creative ways to motivate staff and retain top talent.

CROSS-TRAINING STAFF

VENMO & GOFUNDME PAY OPTIONS

Mei Mei Restaurant Emergency Grocery Program offers at cost groceries for people who have challenges with food access.

Bobby Flay's GoFundMe campaign for the "loyal, creative, hard-working people" of his fine-dining restaurants

SHORT-TERM

Get together to give

Outreach programs on a broad scale are underway to support communities in need, from feeding hungry kids and supporting seniors to sending meals to healthcare workers on the front lines. Restaurants are joining forces to help people weather the storm.

MEAL BOXES

QUARANTINE SURVIVAL KITS

Matador in Seattle prepares up to 75 meal boxes at a time to feed hospital staff at Swedish Medical Center's Ballard campus

Whiskey Cake in Dallas sells Quarantine Survival Kits (two steaks, two chickens, six burgers and more)

LONG-TERM

Pay it forward

Many restaurants are stepping up as everything seems to be shutting down. Aligning giving back with your brand purpose and promise can be very impactful. Ask loyalists to help by buying a gift card, ordering delivery and takeout, and sending a meal to a friend.

GIFT CARD PURCHASES

#SAVERESTAURANTS

*Modern Market Eatery creates a campaign to #saverestaurants by asking people who love to eat to order takeout and delivery from **any** restaurant today*



02 — Product

As we all adjust to a new reality of dining, food must be both portable and craveable. How can restaurants continue to bring excitement, comfort and connectivity to guests in their homes?

“You know what is not pre-packed? Your favorite local restaurants' kitchen, which can safely and rapidly create delicious food for you during this time of social distancing.”

Anthony Pigliacampo | Modern Restaurant Concepts

Dialing up the in-home excitement.

Keep diners excited and engaged with the restaurant by helping their home cooking routines. With the dining room being closed, how do we help guests not get stuck in a rut?



NOW

Virtual Cook-a-longs

There's long been a culture of "imposter" foods and home chefs trying to recreate restaurant favorites. Take out the guesswork with kits and virtual classes that show diners how to make their favorite restaurant meals.

MEAL KITS + VIRTUAL LESSON PORTALS

LIVE COOKING SHOWS & COOK-A-LONGS

Michelin-Starred Chef Massimo Bottura launches "Kitchen Quarantine" Virtual Lessons



SHORT-TERM

DIY Kitchen Kits

With more time on their hands, meal kits and other assemble-it-yourself solutions will keep in-home diners excited, engaged, and even help them to learn new chef skills. And with liquor laws being relaxed in some areas to enable delivery, perhaps tips on mixology, too!

MEAL KITS & INGREDIENT PACKS

COCKTAIL KIT DELIVERY

PERFECT PAIRINGS – MEAL KIT + WINE/BEER ACCOMPANIMENT

Bingas Wingas in Portland, ME delivers wings and beer

Ninfa's and El Tiempo Tex-Mex restaurants in Houston, TX deliver fajitas and margaritas



LONG-TERM

Piece de Resistance

As customers continue to stock their pantries full of non-perishables and essentials to create simple meals, deliver the only-in-restaurant flavors they crave to perk up their pantry flavors. Help with the piece de resistance from sauces and mains to sides and sweets.

LARGE BATCH SIGNATURE SAUCES

DELIVER THE SIDES

DON'T FORGET DESSERT

Chick-Fil-A packages up signature sauces for more at-home goodness

FAMILIAR FOODS

Serving up comfort and connectivity.

Hospitality and dining out is, at its heart, a way to bring people together over a shared meal. In times of limited interaction, how can we lean into ways that bring families and groups together in the home?



NOW

All-In-On Comfort Classics

Take-out and delivery menus can shift to focus on comforting, recognizable, and universally loved foods for adults and kids alike to share a meal and make memories, without being too expensive

**FINE DINING SHIFTS TO FEWER
MENU OPTIONS, MORE PERFECTED
FAMILIAR FAVORITES**

**LOW COST FOODS, HIGH IMPACT
COMFORT – BAKED POTATO BAR;
RICE & BEANS BUILDS**

**CULTURAL & FAITH-BASED
COMFORT – FROM KOSHER TO
KOREAN BBQ**

New York Times Baked Potato Bar

SHORT-TERM

Family Packs & Meal Prep

With the whole family – and possibly extended family – under the same roof, lean into large format meals and even extras for the freezer, to help with meal planning and meal prep needs.

**AMBIENT DELIVERY & PAR-COOKED
MEALS FOR PREP**

**NEW BOGO: BUY ONE FOR NOW,
GET ONE FOR FREEZER**

**PACKAGING SOLUTIONS FOR
PORTIONING, STORAGE, SERVICE**

*Tables On Kearney in Denver, CO offers
“Family Meals to Go” Menu (for two to
six people)*

LONG-TERM

Craveable Nostalgia

Help deliver the nostalgia, and the craving for simpler times, with to-go foods or kits that get your diners digging into their comfort classics, and save you on labor in your operation.

**ONE-POT
“HAMBURGER HELPER” KITS**

**CROCK-POT RESTAURANT
FAVORITES**

*Best Bolognese Pantry Kit w/ canned
goods, spices, pasta; use your own
protein*



03 — Place

With social mandates affecting gathering spaces, restaurants are temporarily handicapped by lack of a destination. How can brands maintain a sense of place and reimagine brand touchpoints to retain connections?

"The directive for social distancing goes against everything the hospitality industry is about."

Adam Eskin | Dig Food Group (Boston, Philadelphia, and NYC)

EXTERIOR ENVIRONMENT

Maintaining a sense of place.

Brand experience relies so much on being a destination and a gathering place for our guests. How can we bridge the gap during a time of social distancing?



NOW

Drive-through and curbside

QSR has instantly gained an advantage by leveraging the regular drive-through model. Some brands have already started to pivot to figure out their unique pick-up experience.

EXTERIOR PRE ORDER CUBBIES

BRANDED PARKING SPACES FOR MOBILE ORDERING AND CAR SIDE PICKUP

Chili's uses witty curbside messaging to tie in the brand personality.

Chipotle is adding "Chipotlanes" where diners can pick up mobile orders from their cars.



SHORT-TERM

Enhance exterior brand messaging

Even if guests can't come inside the dining room, experience still matters when they visit or drive by our locations to ensure they feel welcomed.

ENHANCED SIGNAGE AND WINDOW GRAPHICS

POP UP EXTERIOR MENU BOARD SYSTEMS

WALK UP ORDERING STANDS

L'art in Paris makes good use of vinyl window graphics that immediately catch the eye and bring their brand forward, clearly communicating they are open for business.



LONG-TERM

Meet guests where they are

If they can't come inside, go to them. Outdoor food trucks, mobile food carts and pickup pods may be a bridge back to the dining room, once the extreme measures of social distancing subside.

FOOD TRUCKS AND CARTS

POP-UP DELIVERY PODS

BRING BACK THE DRIVE-IN

MadTree Brewing hits the streets in Cincinnati, OH with vans of cold beer and hot pizza to spread cheer as people self-isolate

Minnow Technologies and Kadabra offer branded wifi-enabled pickup pods that can be placed anywhere, like lobbies of apartment buildings.

INTERIOR EXPERIENCE

Re-imagining brand touchpoints.

Small touches can make a big impact. Every brand touchpoint is an opportunity to connect with guests, and brands can get inventive with ways to bring the dine-in experience out front.



NOW

Enhance mobile apps

Digital applications and communications are more important than ever before, as guests connect with brands through phones, tablets and computers.

ENHANCED MESSAGING AROUND DELIVERY, PICKUP & OTHER INITIATIVES

OPPORTUNITIES FOR CONSTANT REFRESHABILITY TO DEAL WITH THE RAPIDLY CHANGING REALITY.

Moe's Southwest Grill makes it immediately clear how customers can still get their meals and what other incentives they are offering.

SHORT-TERM

Reinforce brand awareness

With little access to dining rooms, guests need more visual connections to the brand. Even basic packaging can be modified to ensure there is a strong brand message guests will remember, and possibly re-use.

PROMINENT ON-PACK BRANDING

NEW 'TABLE TOUCH' MOMENTS THAT MAKE THE AT HOME EXPERIENCE UNIQUE

MUD uses a series of stickers that increases their brand presence on the outside of their packaging and beyond.

LONG-TERM

Repurpose the interior experience

Although nobody knows how long dining rooms will remain closed, brands can get creative with how to cater to customers' cravings.

ENHANCE PRE-ORDER AND GRAB AND GO OFFERINGS

POP-UP 'STORE WITHIN A STORE' TO OPTIMIZE THE TAKE-OUT EXPERIENCE

REPURPOSING EQUIPMENT AND FURNITURE TO MAKE OFFERINGS ACCESSIBLE

Minh Phan transitions Porridge + Puffs into a "collaborative provision shop" with pop-up window featuring packaged foods, fresh flowers, and self-care products.

FOODSERVICE INSPIRATION

Responding to the new reality.

Consumers still want fresh, delicious food while adhering to stricter and constantly changing social norms. How can the experience be optimized to become more customer-centric?

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PARTITION THE SPACE

Consolidate the interior environment. Simple, affordable 4'x8' plywood panels can be graphic wrapped to provide a quick 'experience' and organize the customer flow for easy to navigate, easy to purchase atmosphere. Focus on ease of operations and cleanliness

RE-PURPOSING EQUIPMENT

Bring refrigeration units and merchandisers to the front and re-purpose them to provide for easy access to grab and go, pre packaged meal plans, and beverages. Use vinyl messaging on doors to explain offerings. Use tables as POS station, etc.

DINING ROOM

Use time to deep clean

BRAND STATEMENT

Find a place to bring forward reassuring messaging. Communicate the determination to deliver fresh, delicious food in a safe way. Opportunity to talk about greater impacts in other sectors (schools/hospitals/etc). Explain how guests can still service your establishment (aps, pick-up, meal plans, etc)

MESSAGING AND STREET PRESENCE

Use vinyl window graphics as a means to bring your message and store expression to the exterior. Turn the interior expression outward to the street. Communicate a commitment to the customer, hours, new delivery options, App updates, etc.

CURBSIDE

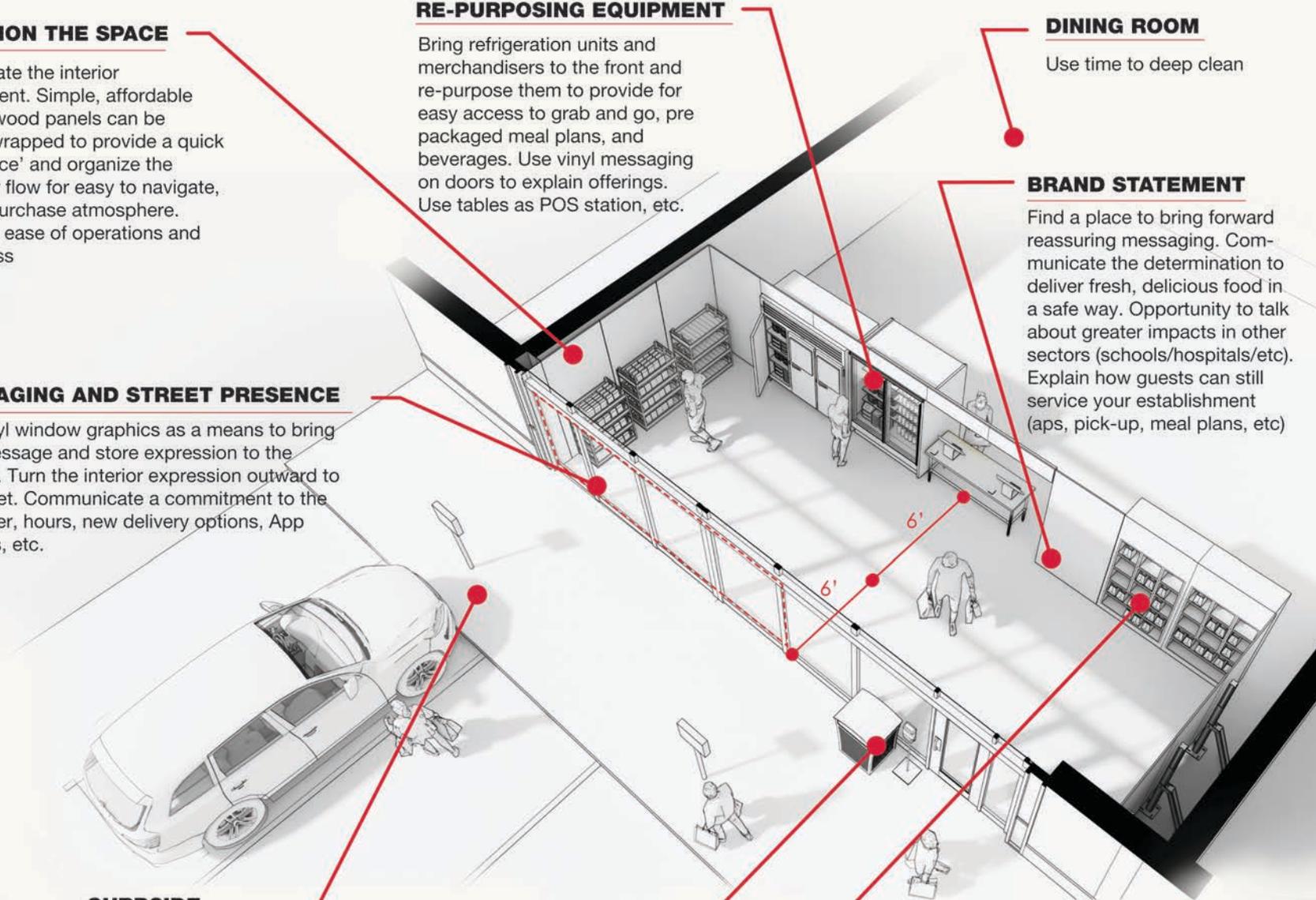
Use enhanced messaging via signage, menu systems and parking decals. Make it clear and concise as to how guests order and receive food from their car.

SANITATION

Signal to your guests that you are committed to their health. Provide sanitary wipes/gel and trash at entries

ENHANCED PRE-ORDER PICKUP

Create increased capacity for pre-order pickups. Designate cubbies for both walk in customers and 3rd party delivery services. Orient cubbies as close to front door as possible.



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We are all in
this together.

**And we will come
through it, together.**

LET'S TALK ABOUT THE FUTURE

CONTACT US AT 303•381•6400

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