



PRESS RELEASE

Covid-19 Devastates Canadian Foodservice Sales

Canadian Foodservice Sales Drop by Half in March resulting in \$3B decline

The numbers are in and as everyone could see and predict, it is not good news for the foodservice industry in Canada. With Covid-19 restrictions forcing restaurants, from fast-food to fine dining, to close their doors to customers, the losses were going to be staggering.

Ipsos' Foodservice Monitor (FSM) has been tracking the performance of and the behaviours related to the Canadian Foodservice industry since 2014. The Ipsos data reveals a \$3B decline for Full Service Restaurants (FSRs) and Quick Service Restaurants (QSRs), combined, from March 2019 compared to March 2020.

Ipsos' Asad Amin, Vice President, said the Full Service Restaurants have been particularly hard hit.

"There is a loss of over a quarter of a billion restaurant visits versus a year ago, so it is little wonder Full Service Restaurants (FSRs) have seen a sales decline of 67%. Quick Service Restaurants (QSRs) have benefitted from the takeaway nature of their business, however they too have seen business go down by at least a third. In total, March 2020 foodservice sales have dropped collectively by 47% versus 2019. We expect similar numbers for the month of April."

The uncertainty of the pandemic means it is unknown when restaurants will be able to open their doors to customers. Several provinces have already announced an easing of restrictions, but that will not mean business as they once knew it. Limited seating will be the new safety norm. Another issue that can impact customers returning is that many Canadians (68%) say they will be nervous to leave their home, even when businesses reopen. While it is difficult to predict how the foodservice industry will perform for the remainder of 2020, Ipsos' FSM tracking and historic data shows we can expect the Canadian foodservice sector to contract by 26%, at best.

However, there have been some bright spots within this hard-hit industry. Delivery channel orders grew by 36% in the second half of March compared to a year ago. This includes both third party aggregators, such as Skip the Dishes, as well as traditional delivery focused operators like Domino's. In fact, Pizza operators collectively grew traffic by double digits in the second half of March compared to the first. Meanwhile, new Ipsos data reveals a marked improvement in consumer perceptions about the foodservice industry itself. Asad Amin said this shows the impact strategic marketing can have.





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“With health and safety being the top concern for consumers, businesses are releasing marketing and communications that address this fear by highlighting the safety precautions they are implementing. Their efforts are having an immediate impact. Over the past two weeks, a growing number of Canadians (62%) believe that restaurants are doing everything they can to prevent the spread of Covid-19.”

Operating within Covid-19 restrictions is going to be an extreme challenge for many businesses operating within the razor thin profit margins of the foodservice industry. Historically, the industry and its workers have proven to be resilient, resourceful, creative and opportunistic. They will need to exhibit all of these attributes to successfully weather the coronavirus storm.

Look for the April results of the next Ipsos Foodservice Monitor study (FSM) mid May as we continue to uncover the new food and eating trends of Canadians in our Covid-19 world.

For more information on this release or the Ipsos Foodservice Monitor study (FSM), please contact:

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