



ENSURING REOPENING SUCCESS

MONITORING THE SITUATION AND
CONSIDERATIONS FOR ONGOING VIABILITY

MAY 12, 2020

The bumpy road to reopening.

No one said it would be smooth, and we're finding that's the case with the first movers – both restaurants and patrons.

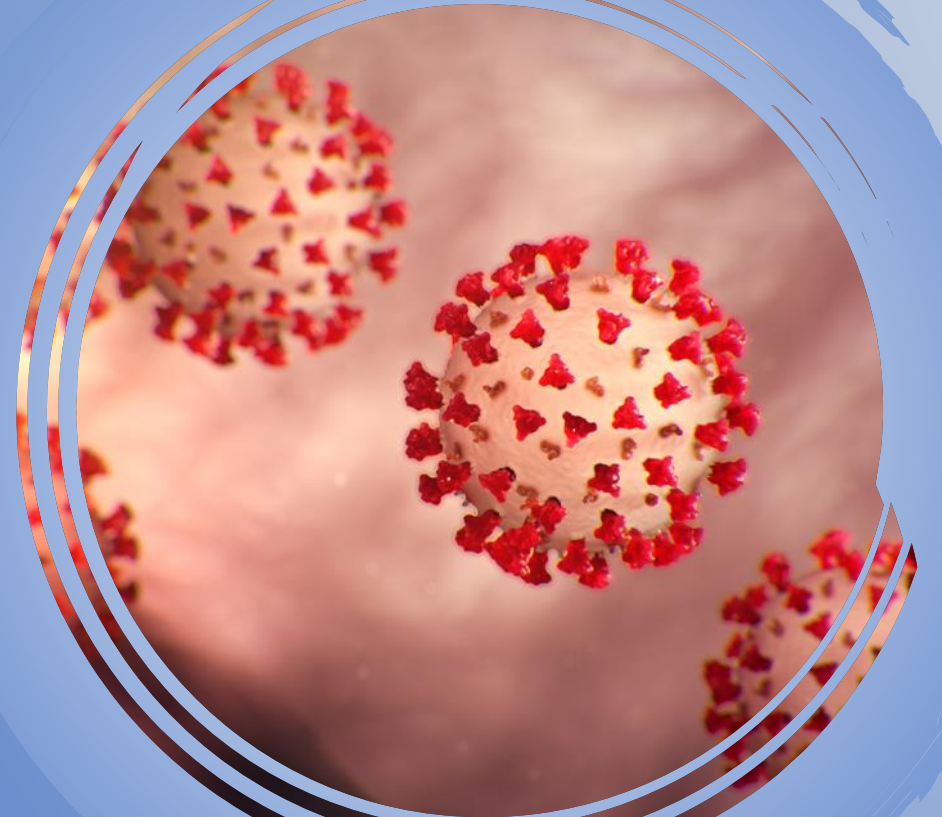
Early reopening stages have seen great response from the community despite any lingering fears. Traffic for Cinco de Mayo and Mother's Day celebrations, in many cases, beat previous year expectations despite ongoing mitigation efforts.

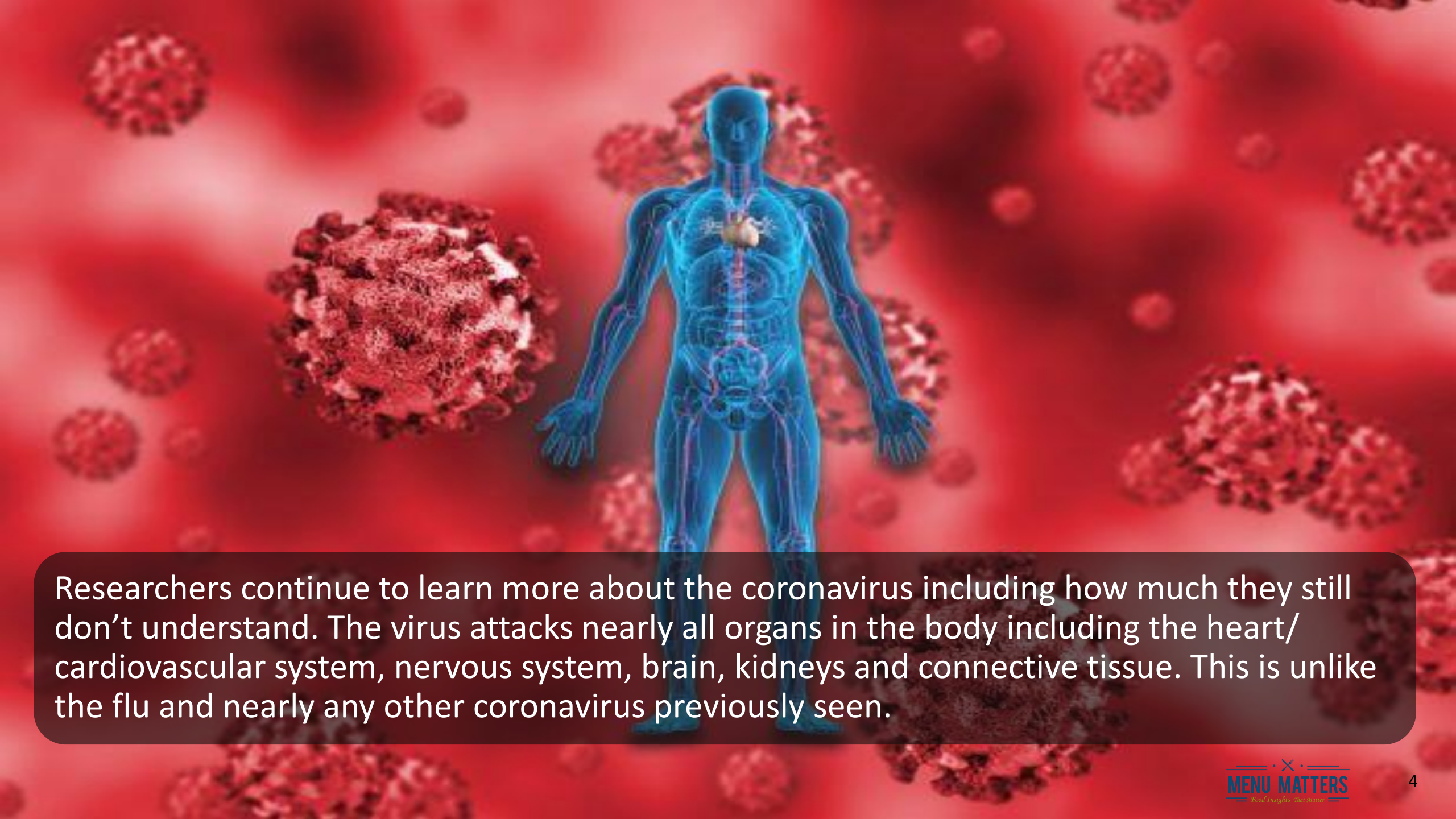
But high traffic paired with capacity limitations, reduced staffing, and multiple order channels created chaos in some cases.

The industry is excited to get back to work but operators, retailers and manufacturers need to create well thought out plans for reopening to avoid patron frustration, poor reviews, and other challenges. We have all the tools to come back stronger than ever, but the enthusiasm around reopening should not outweigh the need for a solid, robust, and thoughtful plan.



CURRENT STATUS OF COVID-19

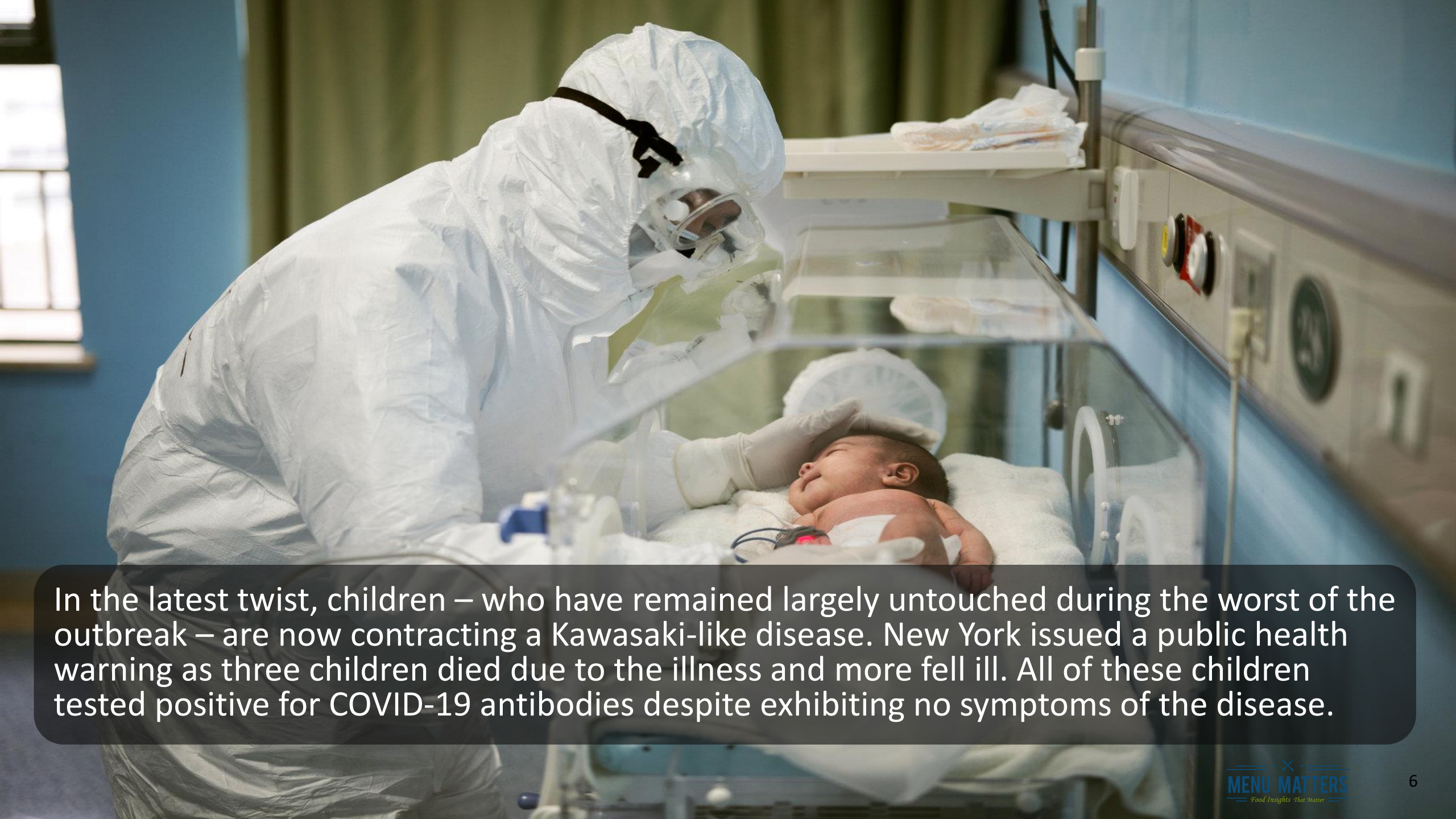




Researchers continue to learn more about the coronavirus including how much they still don't understand. The virus attacks nearly all organs in the body including the heart/ cardiovascular system, nervous system, brain, kidneys and connective tissue. This is unlike the flu and nearly any other coronavirus previously seen.



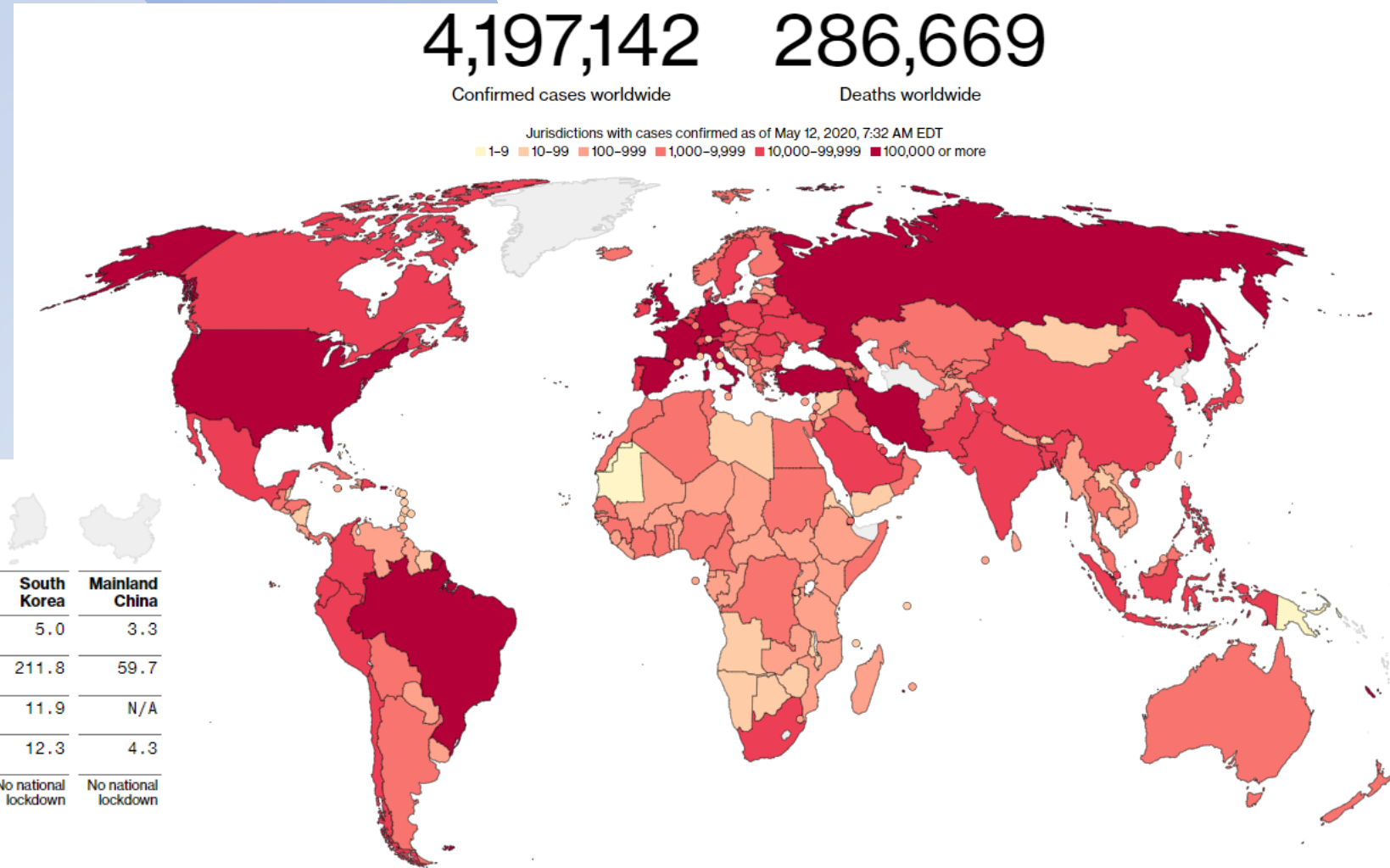
Perhaps one of the more perplexing elements is how the coronavirus impacts oxygen levels. Patients are showing up at hospitals with oxygen levels so low doctors say they shouldn't be conscious and should be experiencing organ failure but appear fine. This issue led to the widespread use of ventilators as a response to low oxygen levels, a protocol now called into question.



In the latest twist, children – who have remained largely untouched during the worst of the outbreak – are now contracting a Kawasaki-like disease. New York issued a public health warning as three children died due to the illness and more fell ill. All of these children tested positive for COVID-19 antibodies despite exhibiting no symptoms of the disease.

Worldwide Involvement

Each week approximately 500K new cases of coronavirus are reported worldwide, bringing the global infection rate to nearly 4.2M. Deaths are set to top 300K by the end of this week.



Spain	Italy	U.K.	France	U.S.	Germany	Japan	South Korea	Mainland China
538.3 deaths / mil.	493.1	491.2	394.1	244.3	95.4	5.0	5.0	3.3
4,577.7 cases / mil.	3,526.3	3,428.2	2,626.0	4,081.3	2,149.4	125.9	211.8	59.7
20.8 tests / 1,000	30.7	11.7	8.8	17.5	31.7	2.0	11.9	N/A
3.0 beds / 1,000	3.2	2.5	6.0	2.8	8.0	13.1	12.3	4.3
National lockdown since March 14	National lockdown since March 10	National lockdown since March 23	National lockdown since March 17	No national lockdown	National lockdown since March 23	State of emergency since April 7	No national lockdown	No national lockdown

Testing data as of April 29, 2020, 3:52 PM EDT
 Sources: OECD for number of hospital beds (2016 for the U.S., 2017 for other countries), government agencies and the COVID Tracking Project via Our World in Data for testing data (various recent dates) and the U.S. Census Bureau for population figures (2019).



Several European nations began to relax restrictions including France and England. Most countries appear to be taking a cautious approach to reopenings. Germany, after relaxing restrictions, is now facing new outbreaks.



Evidence from China and South Korea suggest reopening the economy will be neither smooth nor easy. Wuhan has now seen new cases for the first time since relaxing restrictions and Seoul closed all clubs as a new outbreak was linked to a 29-year-old who recently visited several in the city.



Sweden is beginning to shift its coronavirus strategy slightly as death rates among its elderly increase. Despite its lack of any significant lockdown, the Swedish economy has taken a hit as individuals choose to follow social distance protocols and limit their travel, shopping, and restaurant visits.



Shanghai Disneyland reopened on Monday on a limited basis. Masks and gloves will be required to enter any ride, and social distancing will be adhered to across the park.

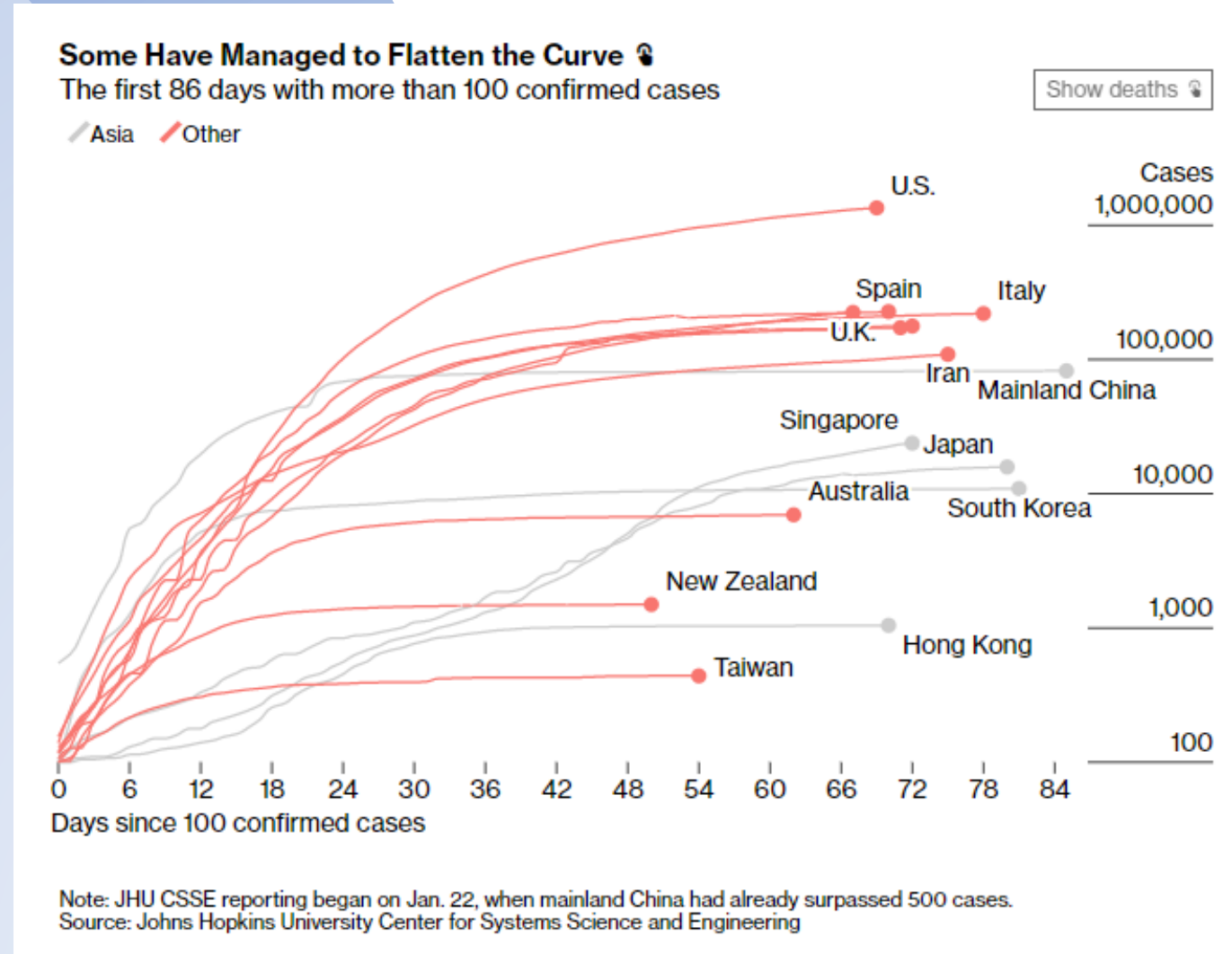


Banksy, the celebrated street artist, donated this piece celebrating the heroic frontline workers to a British hospital. It will remain on display through the fall when it will be auctioned off to raise funds.

U.S. Curve Closing in on Flat

Many curves worldwide are flat or coming closer to flat including former hotspots Italy, Iran, and Spain.

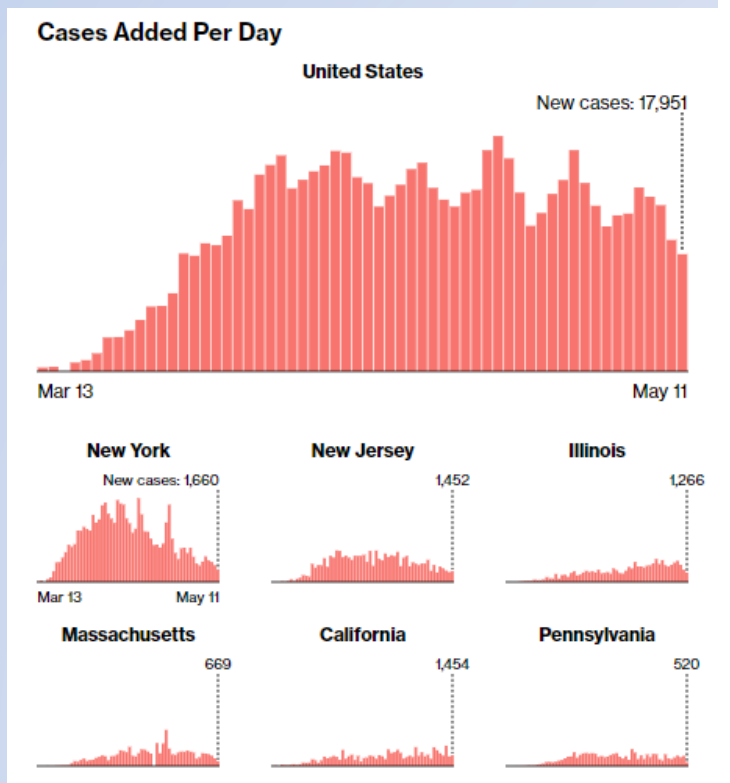
The U.S. curve is closer to flat though it has not reached the same stability as many other countries.



National Impact

The U.S. is closing in on 1.4M cases with deaths having risen by 10K since last week to top 80K.

Stability appears to have been reached in New York and New Jersey as both states consider relaxing restrictions on low-risk professions and in areas of each state less significantly impacted by the virus.



1,347,784 80,681

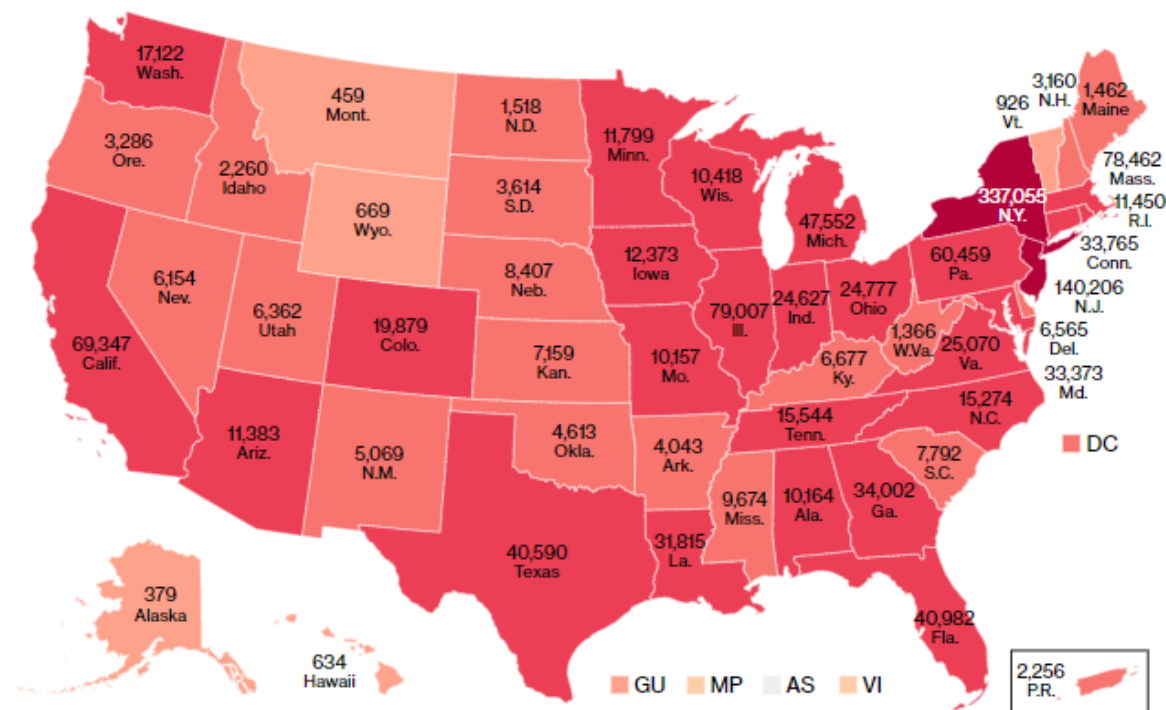
Confirmed cases in U.S.

Deaths in U.S.

Confirmed Cases in U.S. by State and Territory

As of May 12, 2020, 2:32 AM EDT

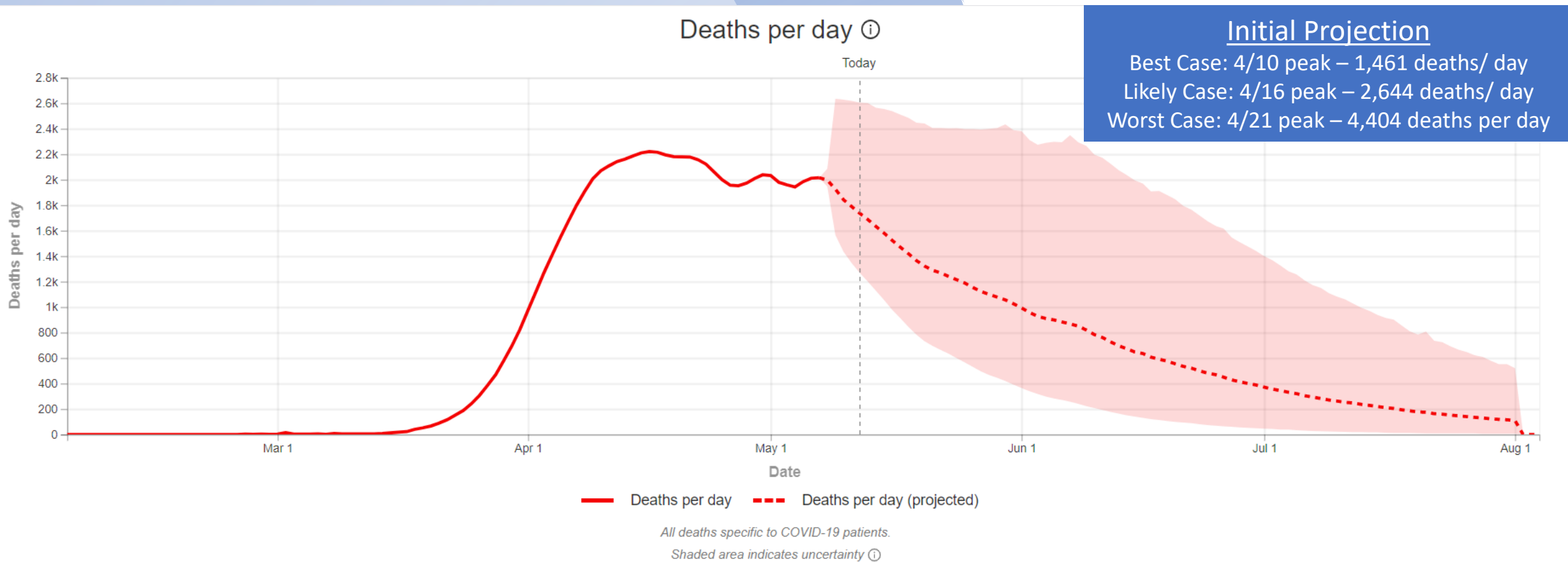
1-9 10-99 100-999 1,000-9,999 10,000-99,999
100,000 or more



Note: State figures may not reflect repatriated patients from the Diamond Princess cruise ship or those evacuated from Wuhan, China.

Extended Peaks

The current IHME model suggests the U.S. has passed the worst death per day rate and is on the decline. Reopenings, however, may force a revision of the model to take into account new infection spikes due to increased activity outside the home.





Vice President Pence's aid tested positive for COVID-19 bringing the virus into the West Wing for the first time during the crisis. Several individuals have now chosen to self-isolate.



SORRY
WE ARE CLOSED
FOR
CORONA VIRUS

Over 3 million more Americans filed for unemployment last week as layoffs and furloughs began to hit white collar jobs. Experts predict unemployment will hit 20% and may rise as high as 25%, with many of the previously temporary layoffs and furloughs becoming permanent.

Time Out Market
showcases
New York's best
restaurants,
bars and cultural
experiences, all
handpicked by
our expert local
editors



The restaurant industry alone lost nearly 6 million jobs, three times that of any other industry effectively wiping out three decades of job growth in two months. *(Source: National Restaurant Association, 5/11/2020)*



In a typical summer, the restaurant industry employs approximately 500,000 summer workers. Whether that trend is driven or halted by the coronavirus depends entirely on whether consumers return to restaurants as states reopen.



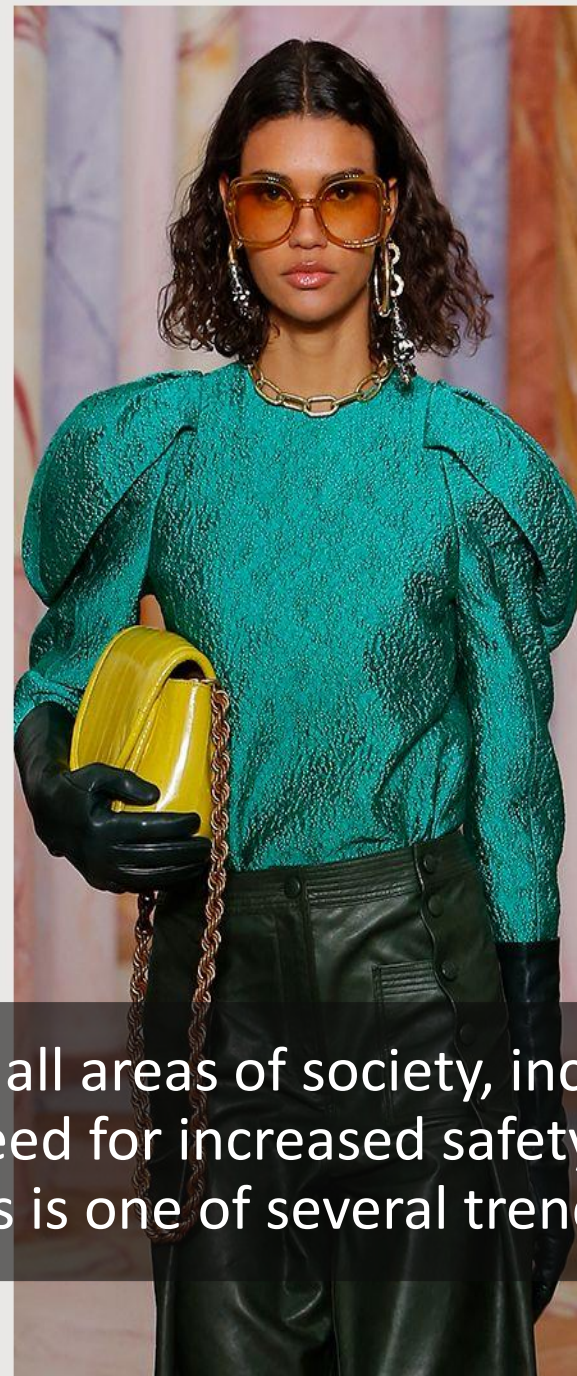
“Plandemic” is one of the more recent conspiracy theories swirling around the COVID-19 outbreak, suggesting the crisis was devised by several organizations to secure revenue and profits for specific pharmaceutical companies.



Tesla reopened its California facility Monday against state and local orders, as tensions rise amid ongoing mitigation efforts. Elon Musk has stated his intention to move his facility out of California because of the mitigation efforts and suggested he will sue state and local leaders.



Road closures and a lack of traffic are allowing cities to experiment with increased pedestrian and bike options. The coronavirus may give city planners the opportunity to innovate against new designs and options that increase the livability of larger cities.



The coronavirus crisis is likely to impact nearly all areas of society, including fashion. Prior to the crisis, gloves were on the rise but the need for increased safety is likely to drive the use and innovation of gloves of all lengths. This is one of several trends likely to emerge.



The stockpiling phenomenon seen at the outset of the COVID-19 crisis is likely to impact home, condo and rental designs going forward. Prior to the crisis, pantries and larders were on the rise. More new construction and renovations are likely to incorporate increased kitchen and bathroom storage spaces to accommodate larger shopping trips and greater storage needs/ demands.

- Reopened with restrictions
- Fully reopened
- Planned reopening



State-by-State Reopening

Alabama

Stay-at-home order **expired 4/30**

Restaurants allowed to reopen with on-premise with tables spaced six feet apart, party sizes of no more than 8 people, and stepped up sanitation

Alaska

Entered phase two on May 8th, with restaurant capacity increased to 50% capacity and keep distance between tables
Bars also allowed to reopen

Arizona

Stay-at-home order extended through **5/15**

Restaurants allowed to reopen 5/11 with physical distance restrictions, parties limited to 10, reduced occupancy and stepped up sanitation

Arkansas

Some businesses have been allowed to reopen

Restaurants will be allowed to reopen with 33% capacity and other limitations on 5/11. If the state continues to see a downward trend in cases, restaurants may increase their capacity to 67%.

California

Stay-at-home order initiated 3/19 with **no expiration date**

Gov. Newsom said Friday the state is “days, not weeks” away from lifting some restrictions

Restaurants remain closed

Colorado

Replaced stay-at-home order with “safer at home” phase on **4/27** which will remain until **5/27**

Restaurants remain closed but a decision on reopening restaurants in the state will be made by 5/25.

Connecticut

Mandatory shut down extended to **5/20**

Restaurants may be allowed to reopen for outdoor dining only by **5/20**

Delaware

Stay-at-home order expires **5/15** or “until the public health threat is eliminated”
Restaurants remain closed

D.C.

Stay-at-home order extended to **5/15**

The expiration date is a point to “check in” rather than to reopen
Restaurants remain closed

Florida

Restaurants allowed to reopen for outdoor dining and indoor dining at 25% capacity

Georgia

Restaurants allowed to reopen dine-in on 4/27 with social distancing and health screening of employees
Bars, nightclubs, and music venues remain closed

Hawaii

Stay-at-home order extended to **5/31**
Restaurants remain closed

Idaho

Gov. Little announced state is moving into the first phase of reopening with some businesses allowed to resume with restrictions
Restaurants remain closed

Illinois

Stay-at-home order extended through **5/30**
Restaurants remain closed

Indiana

State has entered the first stage of reopening with critical businesses allowed to resume operation
Restaurants and bars serving food can reopened on 5/11 at 50% capacity

Iowa

Restaurants reopened at 50% capacity on 5/1 in 77 of the 99 counties. **Restaurants will remain closed in the other counties until at least 5/15**
Bars remain closed

Kansas

Stay-at-home order ends **5/4**

Restaurants reopened with parties limited to 10 people and tables at six feet apart.

Kentucky

Will begin easing restrictions on businesses each week for four weeks beginning on 5/11.

Restaurant openings planned for 5/22 with 33% capacity, tables six feet apart. Outdoor seating will have no capacity limitations.

Louisiana

Stay-at-home order extended to **5/15**
Some business restrictions have been eased, with **restaurants allowed to open outdoor seating without service**
Restaurant indoor dine-in remains closed

Maine

“Stay Healthy at Home” executive order extended to **5/31**
Restaurants remain closed

Maryland

Stay-at-home order issued 3/30 with **no expiration date**
Restaurants remain closed

Massachusetts

Emergency order requiring all nonessential businesses extended to **5/18**
Restaurants remain closed

Michigan

Stay-at-home order extended through **5/15**
Some restrictions have been relaxed, particularly with outdoor business and sports
Restaurants remain closed

Minnesota

State-at-home order extended to 5/18
Some businesses allowed to reopen with restrictions
Restaurants remain closed

Mississippi

Gov. Reeves signed new “safer at home” order expires 5/11
Some nonessential businesses allowed to reopen with drive-thru, curbside and delivery
Restaurants reopened with 50% capacity limit and parties limited to six people
Bars not serving food remain closed

Missouri

“Stay Home Missouri” order expired **5/3**
“Show Me Strong Recovery” plan enacted 5/4 with businesses opening with some restrictions
Restaurants allowed to reopen with no strict capacity limitations but social distancing required between tables.

Montana

Gov. Bullock announced a phased reopening for businesses beginning 4/27
Restaurants, bars, breweries and distilleries may begin dine-in services on 5/4 but must restrict capacity and maintain social distancing

Nebraska

Mitigation rules began to be rolled back 5/4
Restaurants reopened at 50% capacity
Bars remain closed until 5/31

Nevada

Shelter-in-place order extended to **mid-May**
Restaurants allowed to reopen at 50% capacity
Bars remain closed

New Hampshire

“Stay At Home 2.0” enacted, expiring **5/31**
Restaurants may reopen with outdoor seating only, 6 people to a table max, 6 feet between tables and servers wearing masks
Restaurant indoor dine-in remains closed

New Jersey

Stay-at-home order issued 3/21 with **no expiration date**
While there are no plans, Gov. Murphy suggested “the food chain” would be among the first businesses to reopen
Restaurants remain closed

New Mexico

Extended stay at home order to **5/15**
Making plans for a “gradual and safe” reopening
Restaurants remain closed

New York

“New York State on PAUSE” order extended through **5/15**
Gov. Cuomo said the state is planning a phased reopening, with decisions being made on a regional basis
Restaurants remain closed

North Carolina

Stay-at-home order extended through **5/8**
Planned reopening in three phases, with **restaurants and bars allowed to reopen in phase two with limited capacities**
Restaurants remain closed

North Dakota

Gov. Burgum signed executive order reopening most businesses on May 1
Restaurants reopened at 50%
Bars allowed to reopen at 50% capacity but standing not permitted

Ohio

Stay-at-home order extended to **5/29**
Several businesses will reopen throughout May with restrictions
Outdoor dining at bars & restaurants will reopen on 5/15 with 10-person party limits and tables set six feet apart. Dine-in will resume 5/21.

Oklahoma

Gov. Stitt announced the reopening of the economy in phases
Restaurants and dining rooms reopened 5/1 but maintaining strict social distancing
Bars remain closed

Oregon

Stay-at-home order issued 3/23 with no expiration date
No plans to reopen
Restaurants remain closed

Pennsylvania

Gov. Wolf wants to reopen in phases beginning 5/8
Restaurants remain closed

Rhode Island

Stay-at-home order extended through 5/8
Businesses will enter phase one of reopening on 5/9
Restaurants remain closed

South Carolina

Stay at home order switched to voluntary on 5/4
Restaurants and bars reopened with social distancing guidelines recommended but not enforced

South Dakota

No stay at home order in effect
Restaurants fully open

Tennessee

Restaurants allowed to reopen 4/27 at 50% capacity

Texas

Restaurants allowed to reopen 5/1 at 25% capacity, though capacity limits not enforced for outdoor seating

Utah

Executive order issued for “moderate risk” expires 5/16
Restaurants reopened at 50% capacity though take out and delivery still recommended

Vermont

“Stay Safe, Stay Home” order extended through 5/15
Many businesses allowed to reopen 5/4 with full operations “under stringent requirements” by 5/11
Restaurants remain closed

Virginia

Shelter-in-place order expires 6/10
“Forward Virginia” plan will reopen state in phases
Restaurants remain closed

Washington

Stay-at-home order extended through 5/31
Restaurants remain closed

West Virginia

Stay at home is now voluntary
Phased reopening of businesses beginning 5/4
Outdoor dining reopened with parties limited to 6 and tables required to be six feet apart
Dine-in restaurants, bars, and hotels allowed to reopen weeks 3-6

Wisconsin

Extended stay at home order through 5/26
Restaurants remain closed

Wyoming

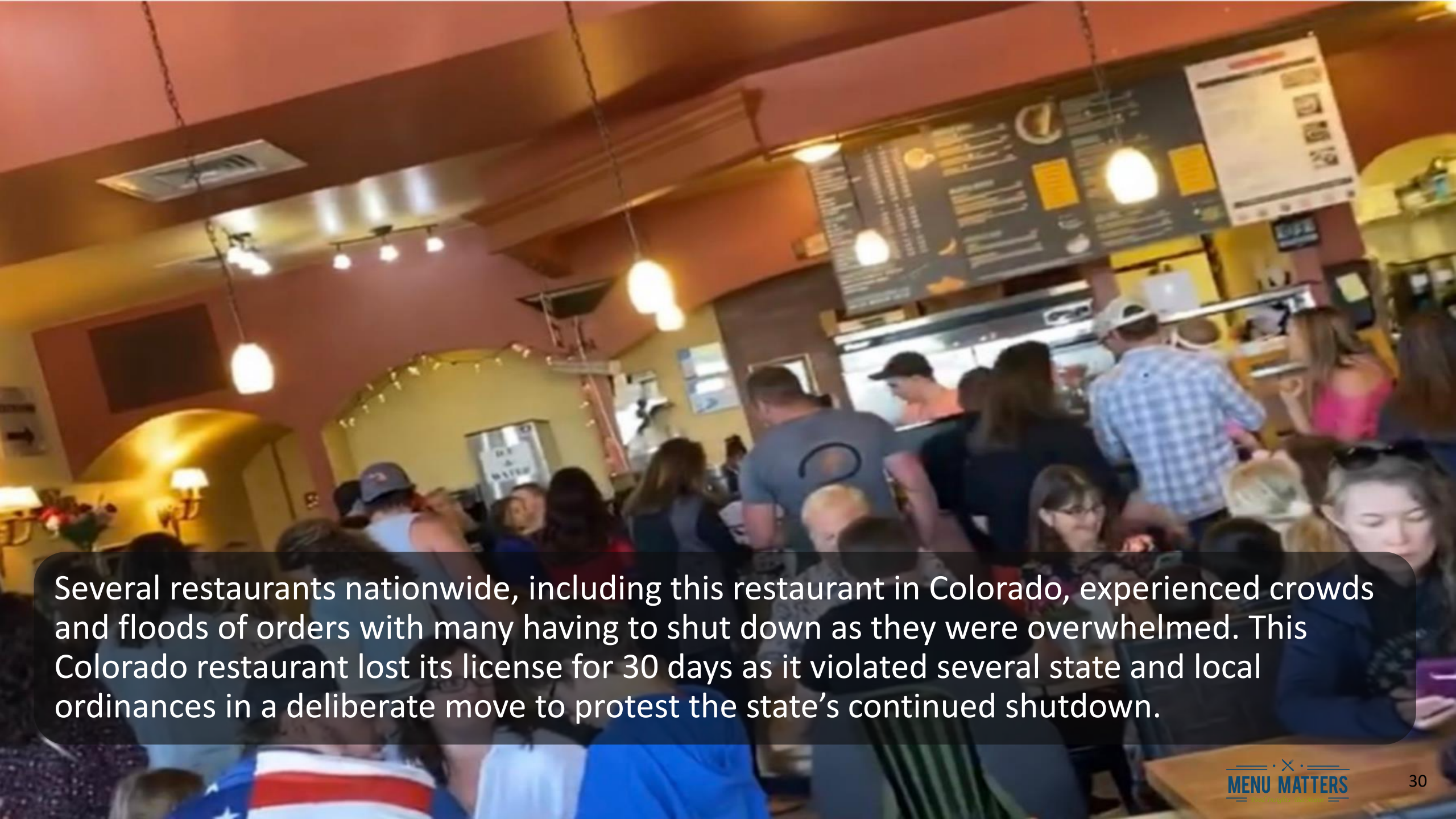
Businesses allowed to reopen in phases
Restaurants remain closed



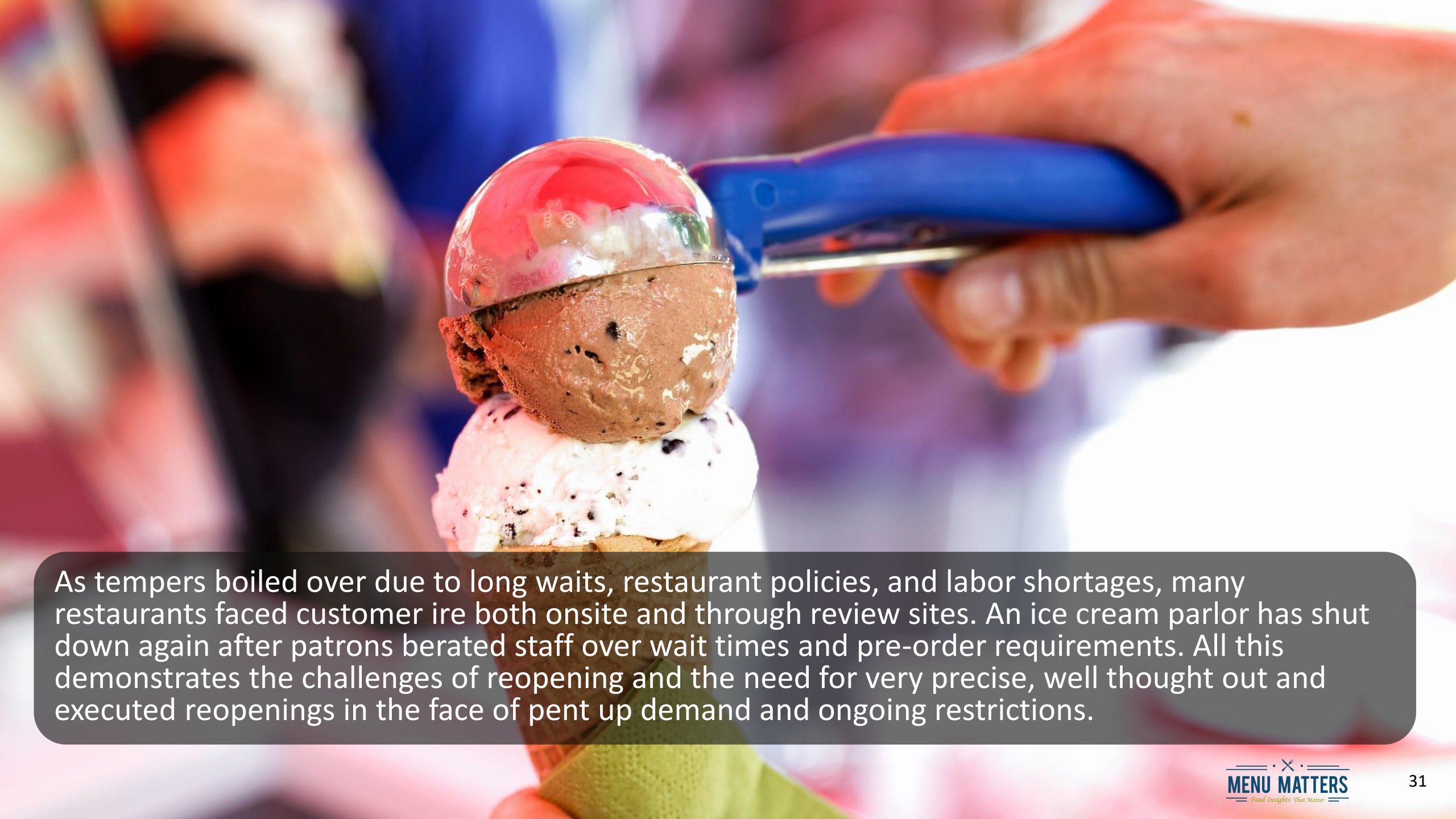
#CincoAtHome



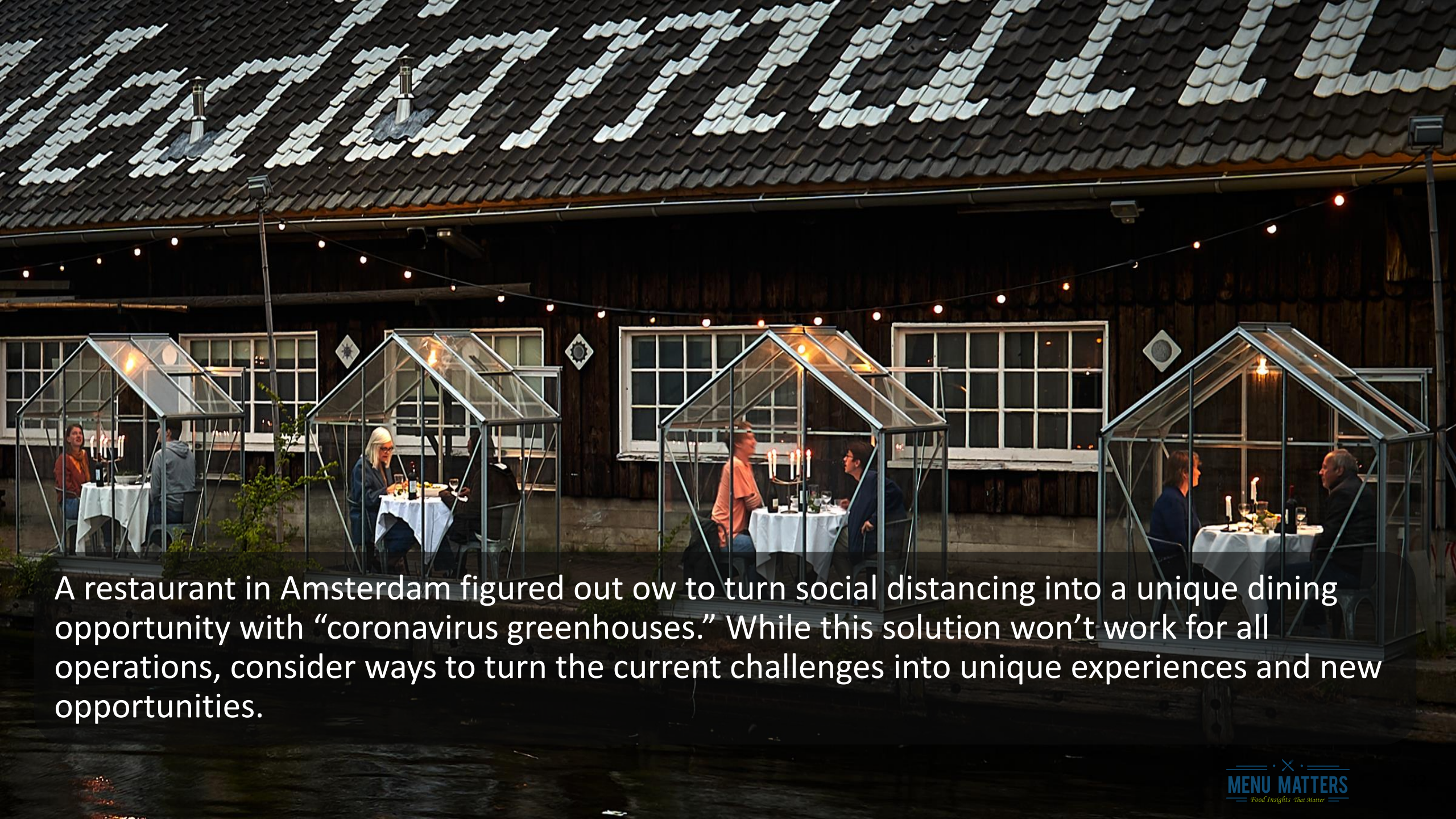
Cinco de Mayo and Mother's Day were the first, back-to-back, holidays to test interest in returning to restaurants. Based on initial traffic, there appears to be an appetite for onsite restaurant visits and growing demand for to-go (take out, drive thru, delivery) ordering.



Several restaurants nationwide, including this restaurant in Colorado, experienced crowds and floods of orders with many having to shut down as they were overwhelmed. This Colorado restaurant lost its license for 30 days as it violated several state and local ordinances in a deliberate move to protest the state's continued shutdown.



As tempers boiled over due to long waits, restaurant policies, and labor shortages, many restaurants faced customer ire both onsite and through review sites. An ice cream parlor has shut down again after patrons berated staff over wait times and pre-order requirements. All this demonstrates the challenges of reopening and the need for very precise, well thought out and executed reopenings in the face of pent up demand and ongoing restrictions.



A restaurant in Amsterdam figured out how to turn social distancing into a unique dining opportunity with “coronavirus greenhouses.” While this solution won’t work for all operations, consider ways to turn the current challenges into unique experiences and new opportunities.

Driving is on the Rise

As consumers cautiously emerge from lockdown, more are driving versus returning to public transportation.

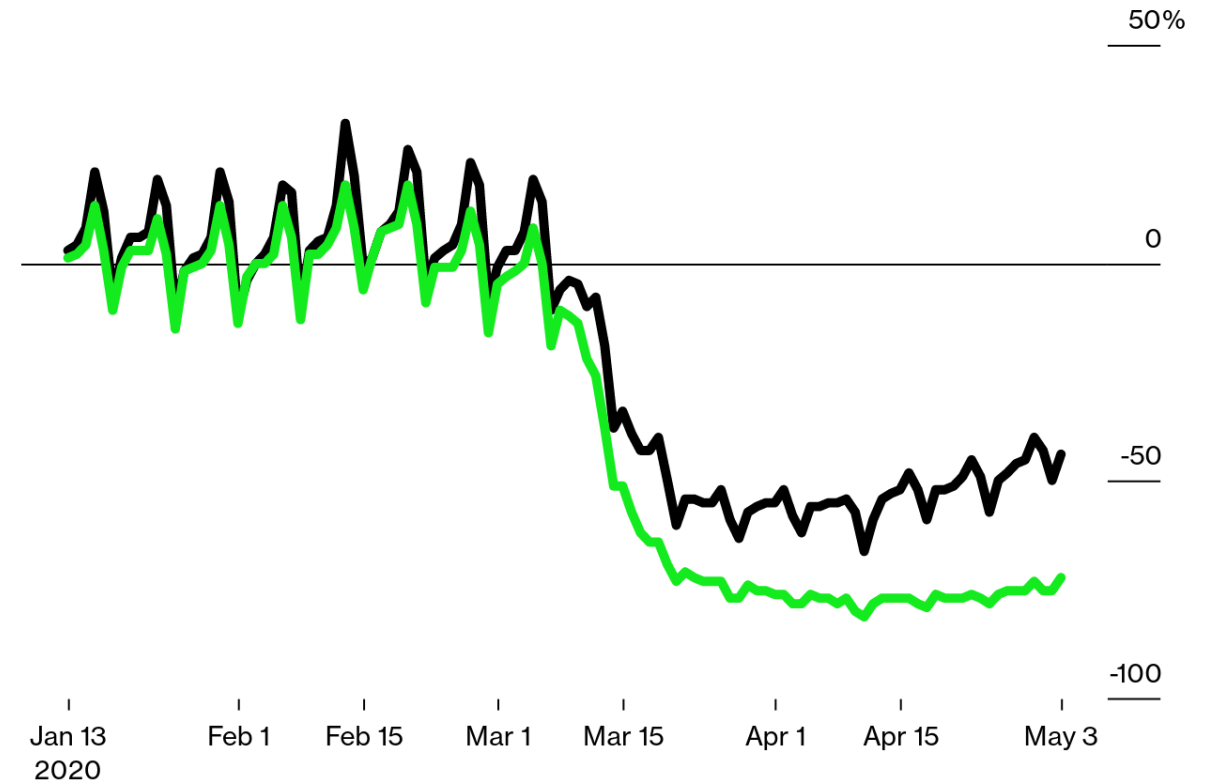
Continued concerns regarding public transit are not surprising given ongoing concerns about crowded spaces and high-touch surfaces.

Should this trend continue it will impact foodservice as decision sets broaden across a far wider footprint, drive thrus inevitably benefit, shift food from home behavior (easier to carry food in a car than on the train/ bus), and consumers rethink when and where they may go out for food throughout the day.

Commuter Changes

More people are driving cars than taking public transit as lockdowns ease

◆ Average driving ◆ Average transit



Source: Bloomberg News calculation based Apple Mobility Trends data for 27 cities in Asia, Europe and Americas

Bloomberg Green

TRENDS TO CONSIDER AS HOSPITALITY REOPENS



Key Issues to Address at Reopening

Approach using multiple order/ delivery services with caution. These services do not monitor or coordinate orders, and an operation can become quickly swamped as orders pour in through multiple channels.

Ensure procedures and policies are clearly communicated on websites, social media, by staff through phone ordering, and on-site to avoid confusion and frustration.

If capacity limitations are in place or other restrictions (no on-site ordering, outdoor dining only, etc.), consider assigning staff positions at the door or outside to avoid a crush of potentially irritated patrons inside.

Management should be highly visible front of house, providing staff with support and back up in enforcing operation and local/state restrictions.

Consider thank you items/ gifts for patrons visiting to express appreciation for your first moving customers. These don't need to be big or expensive but should reflect your operation and brand very clearly.

Consider the same or different for patrons turned away due to order volume or capacity limitations. Appreciation and empathy should avoid bad impressions from early movers during the reopening.

Rethinking the Operation

Now is the time to focus on changes to the operation to enhance safety, increase efficiency, and reduce crowding.

Consider multiple check out areas (for counter service) to reduce congestion such as beverage only registers versus those for food plus beverage orders.

For retailers, facilitating roaming check out can allow for faster and more efficient trips. One example of this is Sephora, which provides a number of its sales associates with handheld scanners to check guests out anywhere in the store.

How can tech be used to both enhance a patron's visit and facilitate a touchless experience? Consider or explore apps and other programs that allow guests to view menus, place orders, make payments from their own mobile devices.

What opportunities exist to set up outdoor stalls, walk up order windows and other exterior opportunities. With better weather upon us, outside dining is facing more limited restrictions and many consumers feel more comfortable staying outside. Plus, keeping patrons outside reduces internal crowding and capacity issues.





Importance of Flexibility

If this crisis has taught us anything it's the increased need for all organizations to be more flexible and nimbler.

Flexibility may not be achieved overnight, but all future endeavors should take flexibility into account.

This includes everything from equipment evaluation, new product selection, BOH and FOH design, concept development, skill requirements, product/ menu item replacement protocols, and hiring.

Contingency plans should be made for future shutdowns and other extreme situations to allow for faster and more thoughtful responses, making the operation and company more effective in its evolution in the face of the "unexpected."

Operators, retailers and companies with rigid protocols will have the greatest challenge with reopening and addressing the inevitable future infection spikes, mitigation efforts and other broad emergencies.



The Time for Partnerships

As the world sought to address issues arising through the crisis and lockdown, unexpected partnerships arose. Though unexpected, these partnerships made sense to create unique and innovative solutions.

Consider partnerships with other restaurants within the community to address traffic overflows, create promotions to drive traffic, etc. Competitors in better times, restaurants working together can leverage the heightened sense of community created by the lockdown and work together to bring patrons back out to dine in.

Identify non-restaurant partnerships for promotions, celebrations, special events. Restaurants aren't the only businesses hit by the lockdown and community efforts to drive business will resonate with locals. Increased traffic to downtown and other key areas benefits everyone.

Ensure partnership communication is consistent, agreed upon at the outset and focuses on the idea of working together to emerge from the crisis. Focus on empathy, a sense of community, and banding together to rise above the current situation.



Capitalizing on Capacity Limitations

Of the 26 states that currently allow restaurants to reopen, most have capacity limitations. While this can present a challenge for driving increased revenue, it may also present opportunities for unique promotions.

Consider special meal events that allow for greater innovation, enhanced service and higher prices. This is a unique opportunity for your customers to enjoy more attention from you and your staff.

With more space available in the restaurant, identify entertainment opportunities not previously possible. Local bands, singers, and other groups are likely looking for work. Make the extra space work for you to create a unique atmosphere in the early stages of reopening.

Staff so that the owner, chef or manager can make the rounds to every table in the restaurant. Engaging with patrons at this early stage can strengthen an operation's relationship with its guests and identify any outstanding concerns, areas for improvement or possible opportunities for innovation. Take advantage of the time available to gather deeper data from your patrons.

Consider at-table experiences not previously possible including cocktail mixing, coffee service, dessert preparation or other high-effort options. They may not be permanent but can create a lasting impression for first movers.

The Past Strikes Back

In an unexpected twist, many retro concepts and services are set to stage a serious comeback as operators look for solutions to ongoing consumer concerns regarding crowded spaces and high-touch surfaces.

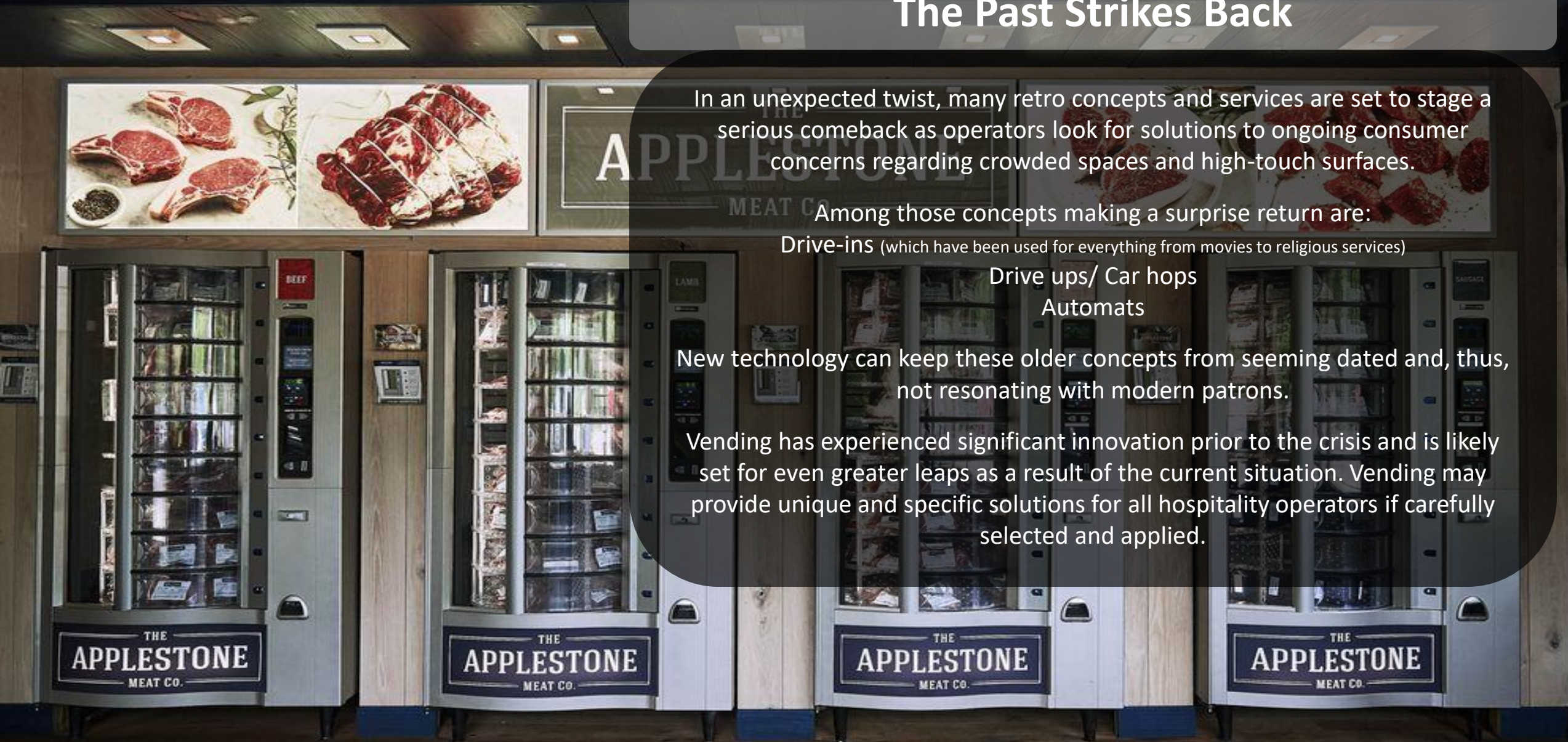
Among those concepts making a surprise return are:

Drive-ins (which have been used for everything from movies to religious services)

Drive ups/ Car hops
Automats

New technology can keep these older concepts from seeming dated and, thus, not resonating with modern patrons.

Vending has experienced significant innovation prior to the crisis and is likely set for even greater leaps as a result of the current situation. Vending may provide unique and specific solutions for all hospitality operators if carefully selected and applied.



A woman with short blonde hair, wearing a white hoodie, sunglasses, and blue jeans with a red belt, is sitting on a stone ledge. She is looking out a window at an elderly woman lying in a hospital bed. The elderly woman is wearing a white hospital gown and has her hand near her face. The scene is set outdoors with some greenery visible.

Family Time

Recent studies suggest consumers are placing, and are going to place, an increased emphasis on spending time with family at least through the end of 2020. This trend can provide both opportunities and hurdles for operators through the reopening of hospitality.

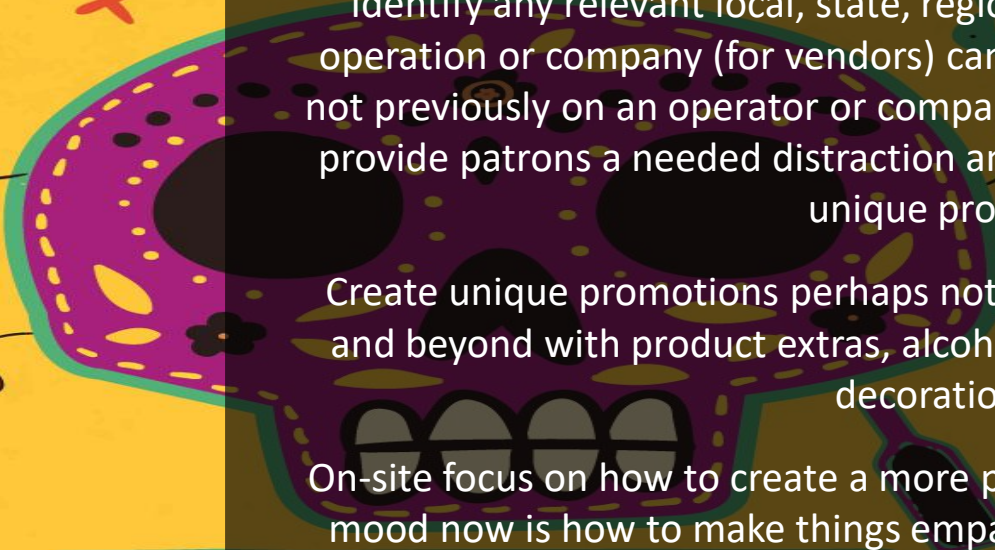
Several hurdles will make accommodating these parties a challenge. Party restrictions, at least through the early stages of reopening, will force larger family gatherings to stay outside restaurants. Multi-generational parties may find on-site dining challenging or concerning, with older members leier of crowded spaces. Should social distancing remain beyond party or capacity restrictions, larger parties will prove a challenge to accommodate while still creating social distance in the dining room.

Opportunities exist, however, to address these challenges. Operators may create “rooms” within the dining room through attractive screening and other efforts to increase comfort. Off-site family gatherings present excellent opportunities for operators with robust delivery/ take out and/ or catering programs.

Consider how communication, off-premise programs, interior design, and other promotional efforts may allow your operation to capitalize on this family-first trend.



COOKING FOR A CAUSE



If the rush on restaurants for Cinco de Mayo and Mother's Day taught the industry anything it's that consumers are ready to start celebrating being out of the house if not a return to normalcy.

Identify any relevant local, state, regional and national holidays that your operation or company (for vendors) can celebrate. This may include holidays not previously on an operator or company's radar but worth the effort now to provide patrons a needed distraction and operations a reason to create new, unique promotions.

Create unique promotions perhaps not previously possible or that go above and beyond with product extras, alcohol (where delivery/ to go is allowed), decorations, etc.

On-site focus on how to create a more personal celebration with patrons. The mood now is how to make things empathetic and focused on the individual rather than generic and impersonal. Train staff or give them the leeway to interact more with patrons and ensure communication is more personal.

Tie celebrations to the community either through unique partnerships with other businesses, charitable giving, etc.

A CINCO DE MAYO VIRTUAL CLASS

filling in the blanks

About Menu Matters

Maeve Webster, President of Menu Matters, is a leading consultancy working with manufacturers, operators, agencies and commodity boards.

She has spearheaded hundreds of major industry studies during her 20 years as a foodservice specialist, and today runs a private consultancy focused on helping manufacturers and operators understand how trends in consumer behavior and operations can be leveraged for strategic planning.

Maeve's expertise is in the areas of trend analysis and evaluation, opportunity assessment, consumer and operator behavior, concept testing, and menu optimization and strategy.

At all times, the primary purpose of Menu Matters is to contextualize findings for clients so the "so what" is apparent, relevant and actionable.



MENU MATTERS

Food Insights That Matter

THANK YOU



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