



Technomic®

A Restaurant's Role in Racial Justice

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Across the U.S., from major cities to rural towns, people of all backgrounds have come together to protest racial injustice and discrimination against the Black community. Initially, marches and gatherings assembled worldwide were sparked by the release of a video of George Floyd's death. Protests quickly gained broader momentum and continue today, representing a growing and sustained movement demanding true racial equality for all Black Americans. One significant outcome from these demonstrations is a fully reimagined, national conversation about race. For the first time, Americans are forcing each other to talk about race in both in their personal and professional lives. A spotlight has been cast on individuals to consider personal biases and on companies to examine brand values and business practices. This has pushed restaurant operators to appropriately respond to matters of racial injustice and inequality or risk losing customers, alienating employees and being rebuked on social media.

Technomic recognizes the need for change. We realize that there are steps we

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can take to be better allies to the Black community. We are committed to this mission and are starting with what we do best: our research. We pledge to produce impactful

research that gives a voice to marginalized communities. We pledge also to ensure that our business reflects the values we espouse through a more representative workforce, inclusive research practices and continued focus dedicated to diversity and inclusion. That promise starts here.

In this piece, we will share research from a nationally representative consumer survey that asked Americans about their reactions to the protests and the role that restaurants should play. The goal of this piece is to answer the following questions.

How do consumers feel about recent protests?

How much responsibility do consumers believe restaurants have as a driver of change toward a more inclusive and just world?



What do consumers want to see from restaurants during this time of social unrest?

Does a brand's response to social justice issues impact future intent to visit?

Consumer Reactions to Initial Protests

Americans are largely united in the belief that an

immediate call for justice exists, with the vast majority (82%) agreeing that all four officers involved in the death of George Floyd should be fully prosecuted under the law. This consensus transcends age, gender, ethnic background and political affiliation, thus speaking to the universality of the underlying cause for protest.

We found that most Americans (76%) empathize with peaceful protesters and believe that their demonstrations are necessary (73%). The general understanding and widespread support contribute to a movement that has very quickly reshaped a complicated and long-standing national conversation.

With respect to how the federal, state and local officials have responded to the protests, a minority of consumers expressed being pleased with the response across all levels of government. Additionally, nearly one-third (32%) empathize with the less-peaceful protesters and some (18%) believe that violent means are necessary.

The Growing Importance of Restaurant Social Responsibility

Diners increasingly expect more from restaurants, as consumers look beyond high-quality food and excellent service when choosing where to spend their money. It is now more important to consumers that restaurants share a similar set of values and that restaurants prioritize social responsibility. Data

CONSUMER REACTIONS

Strongly Agree/Agree

All four police officers involved in the death of George Floyd should be fully prosecuted under the law



I empathize with the peaceful protesters



The peaceful protests are necessary



I'm pleased with my state governor's response



I'm pleased with my local mayor's response



I empathize with less peaceful means of protest



I'm pleased with police response



I'm pleased with President Trump's response



Violence (not looting) is necessary in this situation



Question: How much do you agree with the following statements about the protests?

from our syndicated brand tracker, Ignite Consumer, shows that these restaurant attributes tend to be more important to younger diners and consumers of diverse ethnic backgrounds. Furthermore, the role that these attributes play in the restaurant selection process is on the rise—and has been for some time.

Younger citizens represent the most ethnically diverse cohort in this country's history; this group is at the forefront of this movement. Consumers ages 18 to 34 are much more likely to say that restaurants, regardless of size, have an obligation

to create a more inclusive and just world. They likely see brands as spheres of influence on American culture and as economic forces that can affect meaningful change.

Consumers Do Not Want Restaurants to Remain Silent

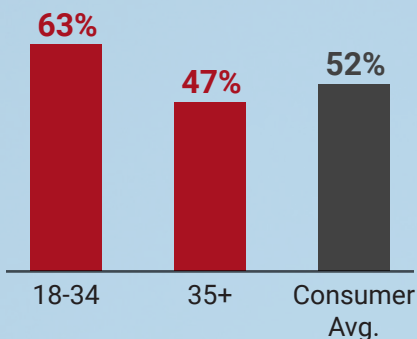
During this time of protest and social unrest, a minority of Americans (37%) say they prefer that restaurants not get involved. In fact, more than a quarter of all consumers (26%) indicate they would decrease visits to a restaurant that took no action in response to

protests, and one-third of consumers ages 18 to 34 (34%) state the same. In contrast, only 15% across all cohorts say they would increase visitation to a restaurant that takes no action in light of recent protests. This suggests that brands looking to avoid participating in the current conversation on racial equality may run the risk of negative brand image consequences and diminished future visitation.

The specific actions that Americans believe restaurants should take vary by age. An above-average number of consumers

"I BELIEVE THAT RESTAURANTS, BOTH LARGE MAJOR CHAINS AND SMALL INDEPENDENTS, HAVE AN OBLIGATION TO CREATE A MORE INCLUSIVE AND JUST WORLD."

Strongly Agree/Agree



under 35 would like to see actions that directly impact and benefit the Black community, while consumers 35 and older prioritize internal company actions such as holding mandatory anti-bias training and hiring or promoting people of color.

The Risk in Taking No Action

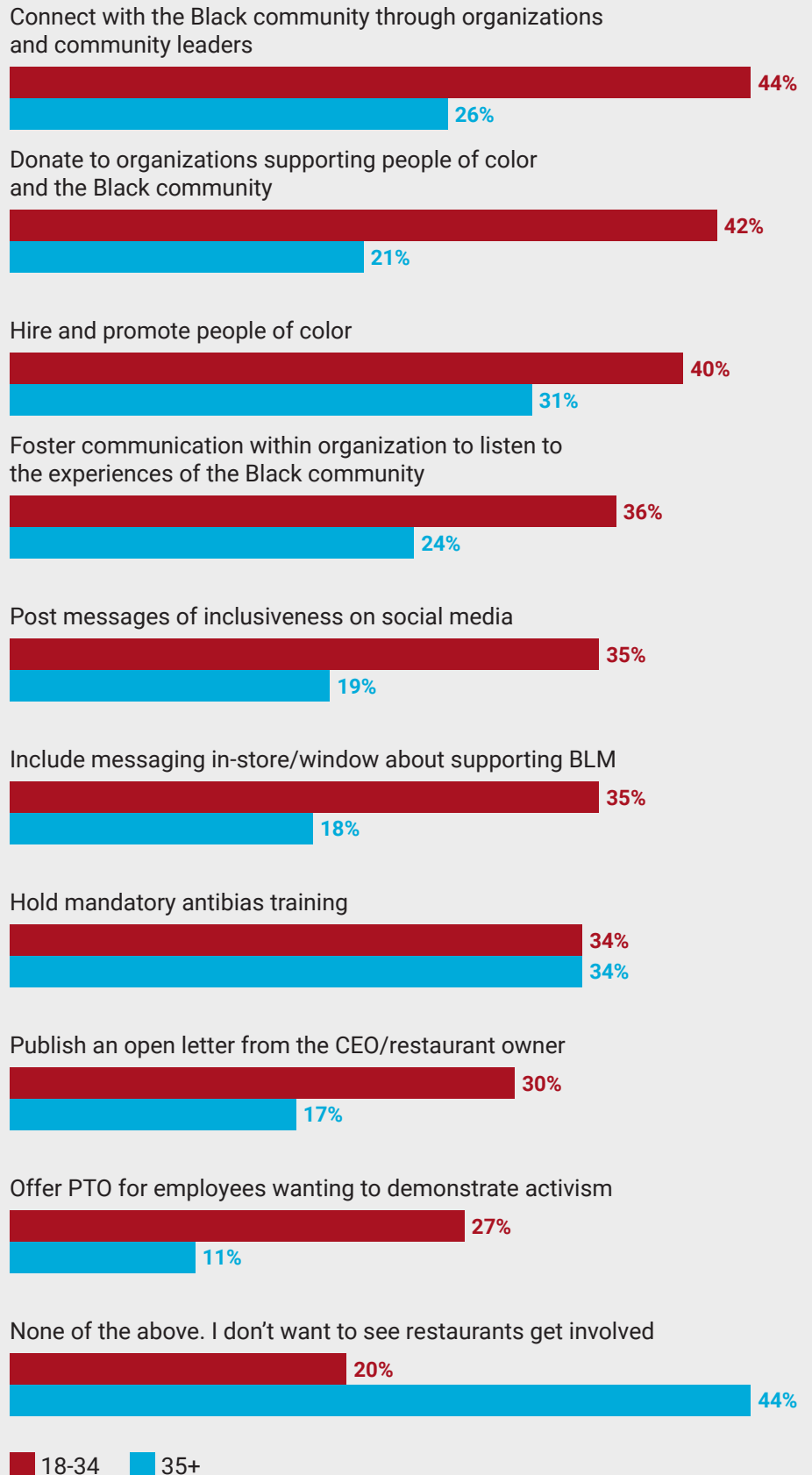
Consumers under 35 are especially interested in restaurants that put their money where their mouth is. When asked about how specific actions would impact future visitation, donating a percentage of proceeds to civil rights organizations and organizations serving people of color were the top two actions most likely to increase restaurant trips. These younger consumers are also incentivized to visit more often when a restaurant is committed to real change by hiring and promoting people of color. The response that is likely to meaningfully decrease visits among the 18- to 34-year-old group is no action at all.

Implications

Restaurant operators rightfully value the opinion of all guests, leveraging every opportunity to

RESTAURANT RESPONSES TO THE PROTESTS

Select all that apply.



Question: How do you think restaurants should respond to the protests?

build loyalty across all generations and demographics. However, younger diners tend to be the heaviest users of foodservice and increasingly represent any restaurant's core guest group. Data suggests that active participation and public support for calls for social equality and justice will produce positive outcomes. Building meaningful guest relationships with younger diners through common causes can boost long-term loyalty and customer lifetime value, while ignoring these issues may

have unintended negative consequences on sales and traffic.

To appropriately respond to the current conversation around racial equality, Technomic recommends to operators and suppliers:

Conduct an honest assessment of where your brand stands on matters of racial equality, both internally and with customers

As the consumer demand for transparency increases, provide a public window into your process and efforts

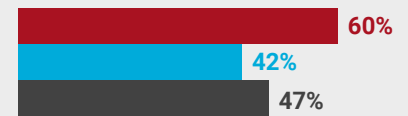
"I am more likely to visit a restaurant that I know is taking steps to create a more inclusive and just world."

Strongly Agree/Agree



"I am more likely to visit a restaurant that takes a stand against racial inequality."

Strongly Agree/Agree

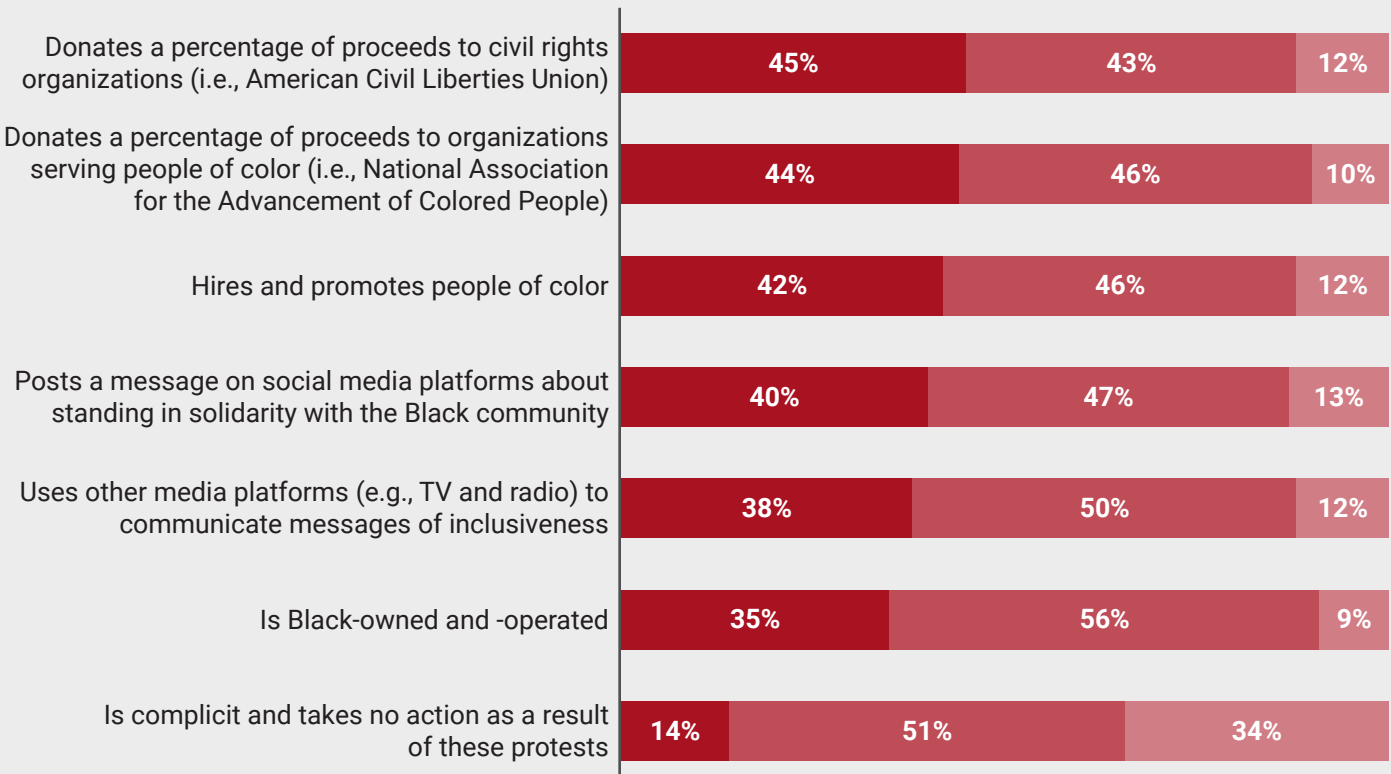


- 18-34
- 35+
- Consumer Avg.

RESTAURANTS ARE REWARDED FOR SPEAKING OUT

18- to 34-Year-Old Consumers

- Increase visits
- Does not impact visitation
- Decrease visits



Question: How will the following actions from a restaurant impact your intent to visit or order food from that restaurant?

Fully tap into brand authenticity in your response and actions by aligning with core brand values and image

Collaborate with all partners to identify ways you might support each other in this ongoing conversation

Celebrate strengths gained through championing diversity, and prepare to fully rethink “old ways of doing business”

Conclusion

As we move into the fifth week of sustained protests, it becomes clearer that this is more of a movement than it is a moment in time. Just as many new challenges were forced on our industry by the coronavirus pandemic, there will be a new normal as we come out of this. The new normal includes consumer demands that restaurants take real steps

towards making the world more inclusive and just. Technomic is committed to this evolution, and we will continue to make good on our promise to help our great industry improve through elevating the voices of Black and other marginalized communities. We will continue to cover developments in this movement as they arise. Visit technomic.com for ongoing updates.



Technomic.

Since 1966, we've produced in-depth research focused on the foodservice industry.

We provide insights into consumer, industry and menu trends in the U.S., Canada and 23 countries around the world. Our team of experts helps leaders in the industry make complex business decisions, set strategy and stay ahead of the curve.

