

Casual Diners Care More About Freshness than Delivery

The successful chains in this segment are smaller and narrower in scope

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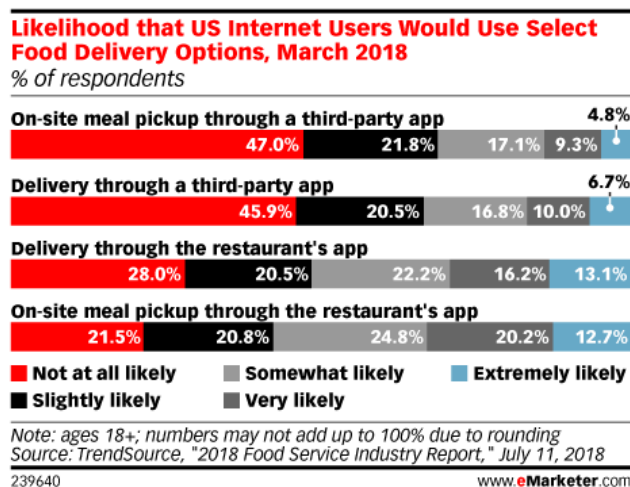
Thanks to the proliferation of on-demand services, digital food delivery is easier than ever.

Depending on where you live, you might have multiple options for online ordering: Caviar specializes in local restaurants that wouldn't necessarily deliver otherwise, Grubhub is adding quick-service partners like Subway and White Castle, and [McDonald's](#) uses UberEats.

While curbside pickup is nothing new for [Outback Steakhouse](#) and Red Lobster, the casual dining sector isn't a delivery go-to, even though restaurants like [The Cheesecake Factory](#) are accessible via DoorDash and some of the above-mentioned providers.

In a March survey by [TrendSource](#), US casual dining customers were asked how likely they would be to use various delivery options. Around one-third said they would be very or extremely likely to use a restaurant app to pick up in-store, the choice with the highest level of interest. Slightly fewer had interest in using a restaurant app for delivery (29.3%). These consumers weren't likely to use a third-party app for

any option, which is slightly counterintuitive considering most restaurants do not have their own delivery app.



It should come as no surprise that younger consumers are more receptive to casual dining delivery. But even then, the highest level of interest—seen among respondents ages 18 to 27—in restaurant apps for pickup and delivery barely rose above a 3.0 (on a scale of 1.0 to 5.0).

Interestingly, when asked where they would go out to eat besides a casual dining chain, respondents did not favor fast-casual restaurants, a segment that has been a focus for some time because it has **generated higher traffic and sales than others**. The most popular alternative was independent casual dining.

Casual dining chains have been on rocky ground due to factors like the shrinking middle class and changing tastes. Customers who may have been the target demographic in the past have been trading down to fast-casual and quick-service chains, while restaurants like **Chili's** and **Applebee's** can seem like anachronisms to younger diners—only good for an occasional serving of irony.

When asked what changes would influence customers to frequent more casual dining chains, the most popular answers included fresher food (4.0) and better-tasting food (3.7).

According to **Nation's Restaurant News**, sales growth of the top 200 casual dining restaurants increased just 0.4% in 2018, while total units

shrunk 1.2%. The restaurants that had more success weren't the big names, but rather smaller niche establishments that jibe with consumers' desire for better and fresher food. And while still chains, many have the veneer of an independent.

Three of the top 10 fastest-growing restaurants were casual dining chains: First Watch (30.4% increase in sales), a "daytime cafe" serving avocado toast; Cooper's Hawk Winery & Restaurants (30.4%), which has a tasting room and retail store; and Black Bear Diner (22.3%), known for comfort food and big portions.