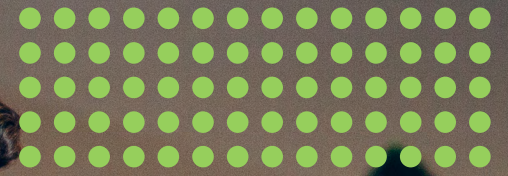




# STATE OF BUSINESS DINING REPORT

2023 // FIRST QUARTER

PRESENTED BY





# What's Inside

The State of Business Dining Report is an exclusive look at post-pandemic business dining recovery and the trends behind it.

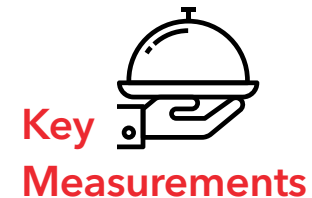
Using Dinova's proprietary business dining data from corporate cardholders and Technomic's industry-leading foodservice data, we're providing insights to help restaurants plan for the future.

## About Dinova

Dinova operates a business dining program that includes a network of 22,000+ restaurants and more than 500 corporations, government agencies, and small to medium-sized businesses in the U.S. and Canada.

## About Technomic

Since 1966, Technomic has delivered unparalleled understanding and information to the foodservice industry. Technomic supports thousands of foodservice professionals worldwide through original industry research covering every facet of the industry.

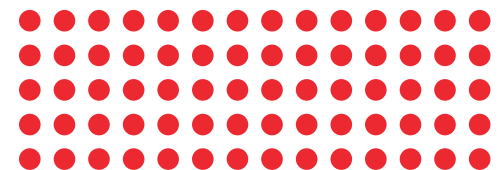


### Business Dining Index

**(BDIndex):** A measurement of current business dining spend as a percentage of 2019 spend during the same time of year.

Technomic's **measurement of consumer sales** at restaurants and bars as compared to performance to the same month in 2019.

**When BDIndex or Technomic's consumer measurement is 100, spend levels have recovered to pre-pandemic levels.**



## Key Findings ..... 5

➤ Q4 2022 ended with a BDIIndex of 91.

⬆️ Business dining had more significant gains in the latter half of 2022 than consumer dining.

⬆️ Geographical business dining patterns changed during the pandemic, but the latest data shows that those **changes were short-lived.**

⬆️ Enterprise spend is **returning to many metro areas.**

## New Considerations ..... 6

⬆️ In-person meetings and conferences have surged, which may **drive demand for private dining and corporate catering.**

⬇️ By contrast, Technomic's Consumer and Operator Outlook Report saw a marked decrease in consumer restaurant usage at the end of 2022 due to high prices.

➤ We're nearing a new normal in post-COVID business dining, but **other trends like sustainability policies and the economy will impact spend.**

# Table of Contents



Business dining peaked in  
**October**  
in 2019 and 2022.

### TREND 1

## Business Dining Seasonality Patterns Return .....7

By looking more closely at how enterprises are dining, we see overall spend patterns returning to normal.



**Chicago**  
has seen the most dramatic business dining recovery.

### TREND 2

## Business Diners Return to Metro Areas ..... 9

Spend looks different than during the pandemic, and is now less geographically distributed in many metro areas.



## Benchmarks ..... 13

- ▶ Difference Between the Overall BDIndex and Technomic Quarterly Foodservice Index
- ▶ BDIndex for Enterprises by Market
- ▶ BDIndex for Enterprises by Industry
- ▶ BDIndex for Enterprises by Restaurant Type
- ▶ BDIndex for Enterprises by Menu Type (Full Service and Limited Service)

## Takeaways ..... 15

Know what to expect in Q1 and beyond with these bite-sized insights.

### TREND 3

## Encouraging Trends in Private Events & Catering ..... 11

As companies moved slowly to bring workers back to the office and resume in-person meetings, catering and private dining took a hit. But lately, the outlook is more promising.



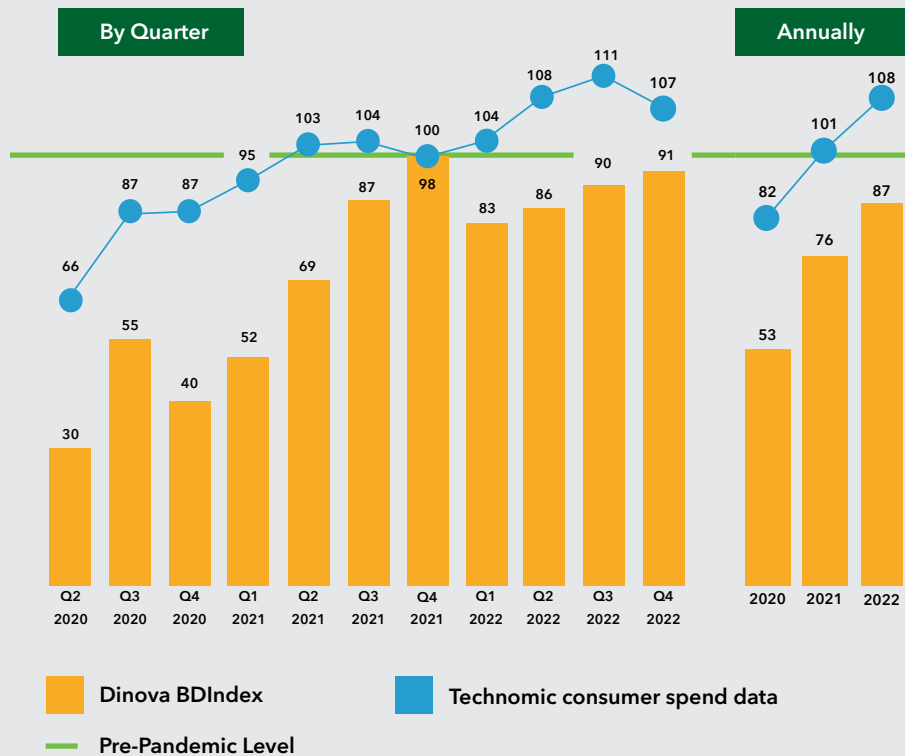
In-person meetings jumped

**65%**

from 2021-2022.<sup>2</sup>

# Key Findings

## Business Dining Recovery vs. All Recovery



[Click here for our methodology](#)

## ◀ What This Means

Comparing Dinova's overall BDIndex with Technomic's measurement shows how business dining fared against the general industry.

But while consumer spending leveled off in 2022, the BDIndex steadily climbed as business travel rebounded. By Q4, business dining spend was 91% of what it was during the same quarter in 2019.

- 🔹 By Q4 2022, the BDIndex had more than tripled compared to its lowest point (Q2 2020).
- 🔹 BDIndex recovery relies on several factors, including an increase in business travel, a rebound in face-to-face meetings and conferences, and more workers in the office.
- 🔹 The Q4 Technomic consumer dining spend was measured at 107 – a 62% increase from the lowest point (66).

# What's changed since Q4?

Business dining usually gets a boost in Q4, as companies splurge on private dining and catering during the holidays. Indeed, the Q4 2022 BDIndex reached its highest number since Q4 2021. At 91, it was just 9 points away from a full recovery.

Now that COVID is no longer curtailing business travel, events, and in-person meetings – all of which drive business dining – it's safe to say that both business dining spend and seasonal trends are approaching a new normal.

- ▶ The BDIndex for Q4 2022 was 91.
- ▶ Consumers have continued to spend at levels surpassing 2019; Technomic's consumer index for 2022 overall was 108.
- ▶ Seasonal business dining trends in 2022 closely resembled the pre-COVID patterns of 2019.
- ▶ Business dining will continue at similar levels in 2023 as studies show workers attending live events.
- ▶ Meanwhile, consumer restaurant usage could see a pullback as Technomic reported more consumers tightening their purse strings in late 2022.



Throughout our business dining recovery analysis since COVID, we've been asking one central question: "Are we there yet?"

Recovery has been a bumpy journey full of surprise twists and questions no one could immediately answer. When will travel be safe again? When will office workers return? What about the large conferences that were once a reliable revenue source?

With pre-pandemic trends in enterprise business dining spend returning, we believe we are almost "there" – the new normal.

That doesn't mean we should stop paying attention. Companies are increasingly focused on the economy and social and economic responsibility, which could impact business travel and dining. We'll continue monitoring quarterly changes to the BDIndex, but start looking at business dining through a wider lens and reporting on longer-term trends.

-Alison Quinn, CEO of Dinova



## TREND 1

# Business Dining Seasonality Patterns Return



**May 11**

marks the end of the COVID state of emergency.<sup>3</sup>



**2022**

was the year seasonal dining trends returned.



**October**

saw the most business dining in 2019 and 2022.



**July**

has the least business dining spend overall.

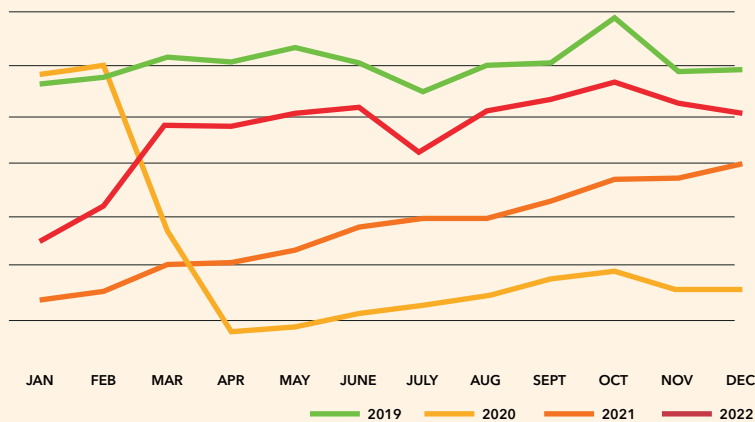
### ➤ Business dining data shows spend patterns returning.

After nearly three years of analysis questioning if and when business dining will reach the “new normal,” all signs point to soon.

A look at Enterprises and all restaurants in Dinova’s program shows seasonality trends and geographic spending distributions have returned to pre-pandemic patterns. Not only are these patterns returning, but Enterprise dining spend is expanding to restaurants that were not originally included in our BDIndex sample. Business diners are looking to introduce variety in their restaurant choices.



## Enterprise Dining Spend by Month 2019-2022



## ➤ Business Dining Spend Patterns 2019 - 2022

Looking at all enterprise dining spend from 2019 through 2022, which includes dining spend at all restaurants in our program, it's clear that 2022 seasonal trends closely align with the pre-pandemic patterns of 2019.

There was a break from usual patterns in the early days of the pandemic. What followed in 2020, 2021, and early 2022 was a steep upward slope in business dining activity as activity returned to normal.

Now, the 2022 data is showing a return to normal dining patterns with peaks during traditionally busy times (September-October) and dips in the summer.

## ➤ Consumer dining trends look a lot like 2019 – for now.

The U.S. Census Bureau Data for Restaurants and Eating Places, which gives current estimates of sales based on restaurant-provided data, also showed positive signs. Comparing year-over-year data from 2019 through Q3 2022, **the 2022 trends align most closely with 2019.**

Inflation and economic uncertainty could throw a wrench in consumer dining's upward trend. In Technomic's latest Consumer and Operator Outlook Report, 84% of consumers said they were worried about how inflation would impact them and nearly half (48%) said they were visiting restaurants less often in response to rising prices.



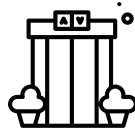
## TREND 2

# Business Diners Return to Metro Areas



**55%**

of all U.S. events in December were corporate meetings.<sup>4</sup>



**50.1%**

Average U.S. office occupancy.<sup>1</sup>



**70%**

decrease in virtual and hybrid meetings from 2021-2022.



**Chicago**

has seen the most dramatic business dining recovery.

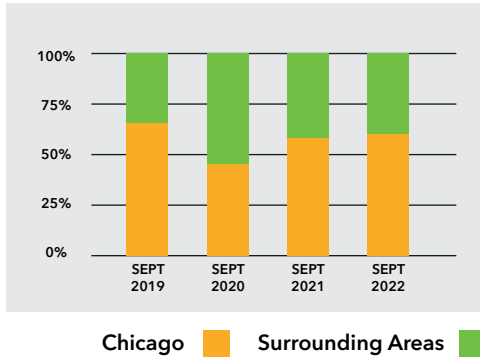
### ➤ Spend is concentrating in city centers.

As remote work was commonplace during the pandemic, business diners in many metro areas increasingly chose restaurants closer to home – often in the suburbs and outside city centers. The latest data shows business dining is more focused in metro areas for cities like Chicago, New York, and Atlanta, like it was in 2019. This is a trend we expect to see replicated across major metro areas in the U.S.

Surprisingly, despite office occupancy still hovering around 50% and hybrid work remaining commonplace, the pandemic-era shift in dining spend appears to be short-lived. Business people are now doing the most business dining while traveling and during their in-the-office days.



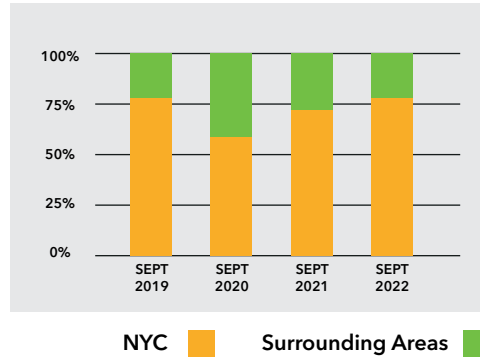
## Percentage of Business Dining Spend in Major Cities & Surrounding Areas 2019 - 2022



### CHICAGO

Surrounding areas with largest % spend:

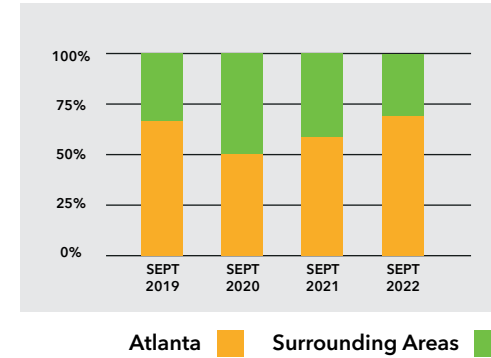
- Des Plaines
- Naperville
- Schaumburg
- Northbrook
- Vernon Hills
- Deerfield
- Oak Brook



### NEW YORK CITY

Surrounding areas with largest % spend:

- Bergen County, NJ
- Long Island, NY
- Westchester County, NY
- Hudson County, NJ
- Essex County, NJ
- Fairfield County, CT
- Nassau County, NY



### ATLANTA

Surrounding areas with largest % spend:

- Alpharetta
- Marietta
- Duluth
- Roswell
- Smyrna
- Peachtree Corners
- Cumming

## TREND 3

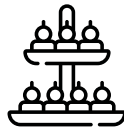
# Encouraging Trends in Private Events & Catering



In-person meetings jumped  
**65%**  
from 2021-2022.<sup>2</sup>



**10%**  
growth in U.S. meeting recovery predicted in 2023.<sup>5</sup>



Catering spend has increased  
**70%**  
since 2019.<sup>2</sup>



**80%**  
of event professionals take sustainability into account.<sup>6</sup>

### ➤ Positive business dining trends follow lucrative holiday season.

Business dining spend got a big boost as business travel rebounded after COVID. But business dining recovery also depended on employees returning to the office and conducting business face-to-face, which drives demand for catering and private dining – among the most profitable restaurant transactions. Companies have moved more slowly to bring workers back to the office or resume in-person events, which meant catering and private dining lagged.

Lately, the outlook has been more promising. According to Kastle's [Back to Work Barometer](#), calculated using actual building occupancy data, the average office occupancy surpassed 50% in January 2023 – the first time since the pandemic began. Corporate meeting and event recovery has also continued its upward trend, increasing larger-scale business dining. In AmEx's latest [Meetings & Events Forecast](#), 65% of event professionals surveyed said they are spending more on meetings.

Q4 2022 meetings activity outperformed forecasts by 8.4% and an additional 10% growth is predicted for 2023.<sup>5</sup>



## ➤ Corporate meetings and events are expected to drive up dining spend.

According to [Knowland's Meetings Recovery Forecast](#), meetings activity in 2022 exceeded that of 2019 in November and December 2022 for the first time since the pandemic began. After Q4 2022 meetings activity outperformed forecasts by 8.4%, Knowland predicts an additional 10% growth in 2023.

## ➤ Highest month-over-month meeting growth As of December 2022<sup>4</sup>

1. Sacramento, CA
2. Colorado Springs, CO
3. Chattanooga, TN
4. Grand Rapids, MI
5. Jacksonville, FL

The restaurant industry is already feeling this increased demand for business meals. The CWT and GBTA's [2023 Global Business Travel Forecast](#) reported that North America saw a significant jump in business food and beverage spend from 2019-2022 (70%). While some of the increase is due to inflation, pent-up demand for face-to-face networking is causing businesses to pull out all the stops for in-person meetings.

## ➤ Food and Beverage Meets Sustainability

New policies are impacting catering decisions. Here are the [Green Business Bureau's](#) recommendations for restaurants.<sup>8</sup>

1. Source locally or sustainably.
2. Minimize food waste.
3. Use recycled or compostable single-use items.
4. Switch to electric or hybrid transportation.
5. Update appliances and lighting for energy efficiency.
6. Reduce water waste and use of plastic bottles.
7. Get green business certified.



# Benchmarks

## Summary

What should you expect for your specific region or restaurant category? We've sliced and diced the data to bring you these predictions.

*Note: because enterprise sales are the largest factor in business dining recovery, most of the analysis focuses on this segment. BDIndex is calculated using a fixed sample of restaurants.*

## BDINDEX FOR ENTERPRISES BY MARKET

### OVERALL BDINDEX FOR ENTERPRISES: 69

Business dining recovery has been uneven across major markets, with a large gap projected between the city with the lowest BDIndex (San Francisco at 48) and the highest (Chicago and Las Vegas at 72). Chicago and New York have seen the most dramatic recoveries between 2020 and 2022.

Enterprise business dining recovery by market, compared to the lowest point (Q2 2020).

#### CHICAGO

▲ 72 (+62)

#### LOS ANGELES

▲ 63 (+53)

#### NEW YORK

▲ 51 (+46)

#### LAS VEGAS

▲ 72 (+61)

#### ATLANTA

▲ 64 (+48)

#### ORLANDO

▲ 53 (+41)

#### HOUSTON

▲ 71 (+57)

#### WASHINGTON D.C.

▲ 56 (+46)

#### SAN FRANCISCO

▲ 48 (+38)

#### DALLAS

▲ 70 (+53)

## TOP 10 INDUSTRIES

### FOR BUSINESS DINING RECOVERY

All industries have seen a marked growth in business dining recovery since Q2 2020, based on enterprise BDIndex data, with Utilities seeing the most improvement.

#### UTILITIES

▲ 84 (+72)

#### FINANCIALS

▲ 57 (+50)

#### INDUSTRIALS

▲ 76 (+58)

#### MATERIALS

▲ 66 (+44)

#### HEALTH

▲ 75 (+56)

#### IT

▲ 48 (+41)

#### STAPLES

▲ 83 (+54)

#### DISCRETIONARY

▲ 72 (+37)

#### ENERGY

▲ 69 (+53)

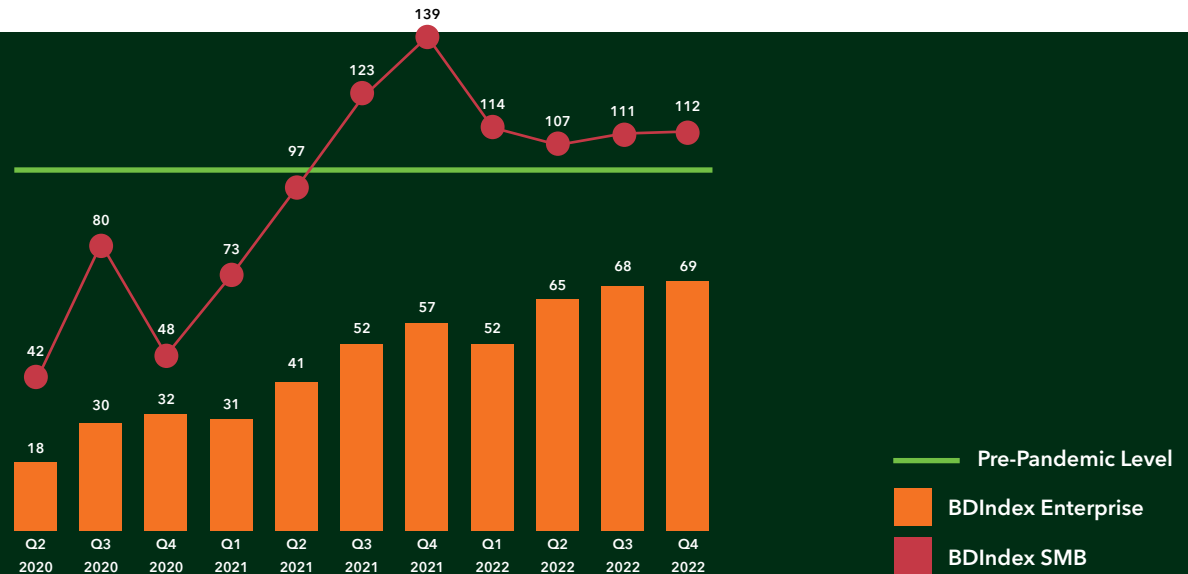
#### TELECOM

▲ 33 (+31)

## ENTERPRISE VS. SMALL BUSINESS DINING RECOVERY

In Q4 2022, the Enterprise BDIndex landed at 69.

The SMB BDIndex continues to outperform Enterprise, but has contracted since reaching a high of 139 in Q4 2021.



## BUSINESS DINING RECOVERY BY CATEGORY

A look at enterprise BDIndex gains from the lowest point (Q2 2020) to Q4 2022.

### TOP 5 LIMITED-SERVICE RESTAURANTS

#### ENTERPRISE BDINDEX RECOVERY BY MENU TYPE

**COFFEE**  
▲ 85 (+72)

**BAKERY**  
▲ 63 (+50)

**MEXICAN**  
▲ 78 (+55)

**FAMILY CASUAL**  
▲ 56 (+47)

**CHICKEN**  
▲ 94 (+54)

### TOP 5 FULL-SERVICE RESTAURANTS

#### ENTERPRISE BDINDEX RECOVERY BY MENU TYPE

**SEAFOOD**  
▲ 61 (+57)

**ITALIAN PIZZA**  
▲ 67 (+52)

**STEAK**  
▲ 64 (+56)

**VARIED MENU**  
▲ 59 (+52)

**ASIAN NOODLE**  
▲ 58 (+54)

### TOP 5 RESTAURANT TYPES

#### ENTERPRISE BDINDEX RECOVERY

**FINE DINING**  
▲ 71 (+70)

**QSR**  
▲ 82 (+49)

**MIDSCALE**  
▲ 71 (+52)

**FAST CASUAL**  
▲ 69 (+47)

**CASUAL DINING**  
▲ 62 (+52)



# Takeaways for Restaurants



## ➤ Business Dining Recovery (BDIndex)

The Q1 BDIndex held steady for the last half of 2022 at 8 or 9 points short of full recovery. **COVID is no longer a significant factor in business dining activity and other patterns are looking similar to 2019.**



## ➤ A Return to Seasonal Trends

When charting year-over-year business dining spend from 2019 through Q4 2022, **the 2022 patterns align closely with 2019** – also signaling we've nearly reached a new normal.



## ➤ Business Diners Return to Metro Areas

Our data shows business dining spend is again **concentrated in city centers** amid a resurgence of in-person business meetings and conferences.



## ➤ Positive signs in meeting & event recovery

In January, average office occupancy surpassed 50% for the first time since the pandemic began. Corporate meeting and event recovery has also continued its upward trend, **which could lead to increased corporate catering and private dining.**

# Sources

<sup>1</sup> <https://www.kastle.com/safety-wellness/getting-america-back-to-work>

<sup>2</sup> <https://www.cwt-meetings-events.com/global-travel-forecast-meetings-events/>

<sup>3</sup> <https://apnews.com/article/biden-united-states-government-district-of-columbia-covid-public-health-2a80b547f6d55706a6986debc343b9fe>

<sup>4</sup> <https://www.businesstravelnews.com/Meetings/Report-US-Mtg-Volume-Exceeds-2019-Signaling-End-of-Recovery-Efforts>

<sup>5</sup> <https://www.knowland.com/resources/meetings-recovery-forecast/>

<sup>6</sup> <https://www.amexglobalbusinesstravel.com/meetings-events/meetings-forecast/>

<sup>7</sup> <https://www.cvent.com/en/blog/events/event-trends>

<sup>8</sup> <https://greenbusinessbureau.com/business-function/facilities/food-service/sustainable-catering-a-getting-started-guide-for-small-businesses/>



Dinova operates a business dining program that includes a network of 22,000+ restaurants and more than 500 corporations, government agencies, and small to medium sized businesses in the U.S. and Canada.



Since 1966, Technomic has delivered unparalleled understanding and information to the foodservice industry. Technomic supports thousands of foodservice professionals worldwide through original industry research covering every facet of the industry.

