



State of Business Dining Report

Spring 2024

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 predicting what restaurants can expect next on the road to recovery.

About Dinova

Dinova operates a business dining program that includes a network of 23,000+ restaurants and more than 550 corporations, government agencies, and small to medium-sized businesses in the US 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.

Key Measurements

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 has recovered to pre-pandemic levels.

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Know what to expect in 2024 and beyond with these bite-sized insights.



The BDIndex reached 98 in Q4 2023



45% of operators expect **more competition** in 2024¹



Event volume for major markets is at **90% of pre-pandemic levels**²



A third of business dining transactions are now **over \$250**



42% of business dining **spend** in the **pharmaceutical industry** is on **catering**



¹<https://www.nrn.com/finance/us-restaurant-industry-expected-pass-1-trillion-first-time>
²<https://www.hotelmanagement.net/operate/june-meetings-and-events-grow-303-percent>

BDIndex Update

Tracking Business Dining Spend

Seasonal dining patterns continue to resemble those of the pre-COVID era and business dining spend has reached a new normal. After reaching a high of 103 in Q3 2023, the BDIndex settled at 98 in Q4. These numbers are consistent with typical holiday spending patterns.

Technomic's consumer dining measurement showed consumer dining recovery initially outpacing business dining, exceeding pre-COVID levels in 2021. More recent data shows consumer dining and business dining following similar seasonal patterns, also reflecting a new normal.



On Our Radar

More workers are returning to the office.

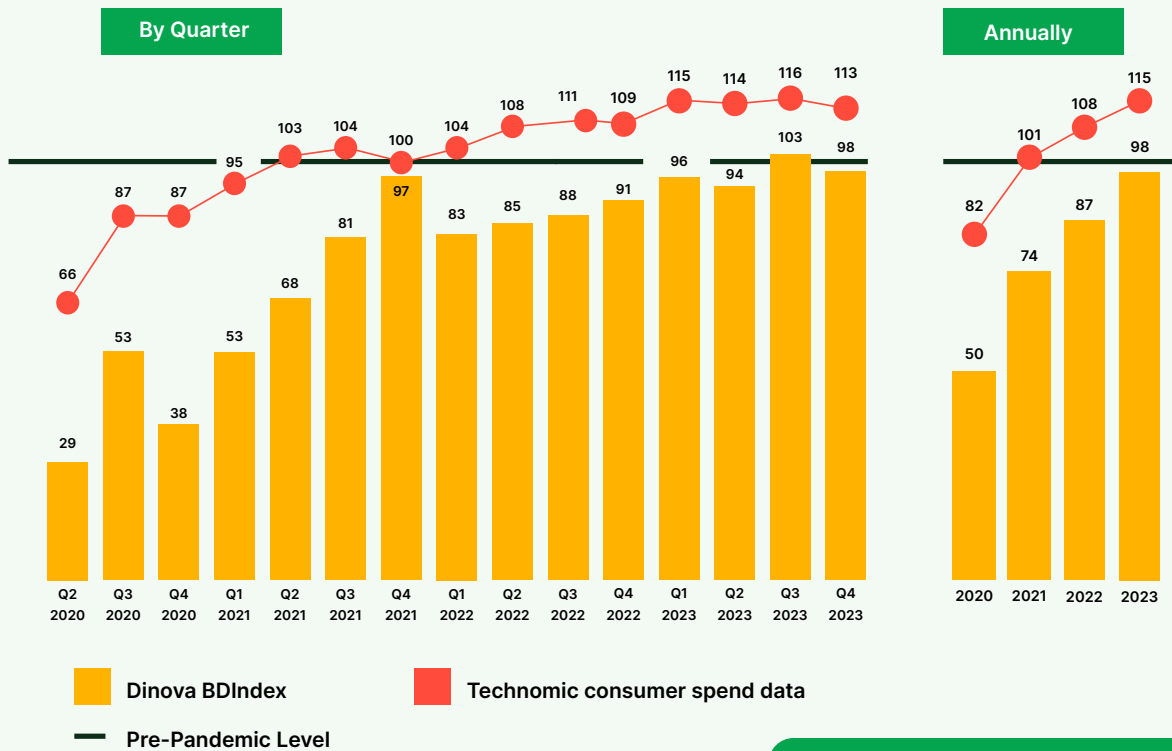
Average office occupancy is now at over 50% — up 4% from the Q4 2023 report.³

Food inflation is cooling. The USDA expects inflation for all food to moderate in 2024. While food-away-from-home prices are predicted to rise by 5%, prices increased more rapidly (7.1%) in 2023.

Consumers remain inflation-sensitive. Most (81%)⁴ are concerned about inflation. Three-quarters are closely watching their budgets or struggling to make ends meet.

Restaurant operators are optimistic; 30% expect consumer traffic to increase over the next 3 months.⁴

Major business events have returned to 90% pre-COVID levels. This means big business for nearby restaurants.²



[Click here for our methodology](#)

³ <https://www.kastle.com/safety-wellness/getting-america-back-to-work/>

⁴ Technomic Consumer Operator Outlook Report, Q4 2023

2024 Outlook



\$1.1 trillion projected **industry sales in 2024**⁵



62% of consumers think **menu prices will increase** over the next 6 months⁴



30% of operators expect **more foot traffic** in the next 3 months⁴



3 out of 4 consumers are **tightening their budgets**⁴

The restaurant industry has proven resilient over the past four years. It is now poised to exceed \$1.1 trillion in sales in 2024.

Still, inflation remains top-of-mind for consumers.

- Most (81%) of consumers remain concerned about inflation.
- Three-quarters are closely watching their budgets or struggling to make ends meet.

They are resistant to price increases and smaller portions. Factors like reduced savings and rising consumer debt could present economic headwinds even as inflation softens.

Despite consumer attitudes, restaurant operators are optimistic, according to Technomic's latest Consumer Operator Outlook Report. While 30% expect traffic to increase, just 8% expect a decrease. The vast majority think check averages will increase or stay the same.



⁵<https://www.nrn.com/finance/us-restaurant-industry-expected-pass-1-trillion-first-time>

“Operators need to focus on value for money as consumers are hyper aware of price hikes and are cutting back on luxuries. Offering promotions, combos and other reward programs will be beneficial in helping consumers perceive they are getting a good deal.”

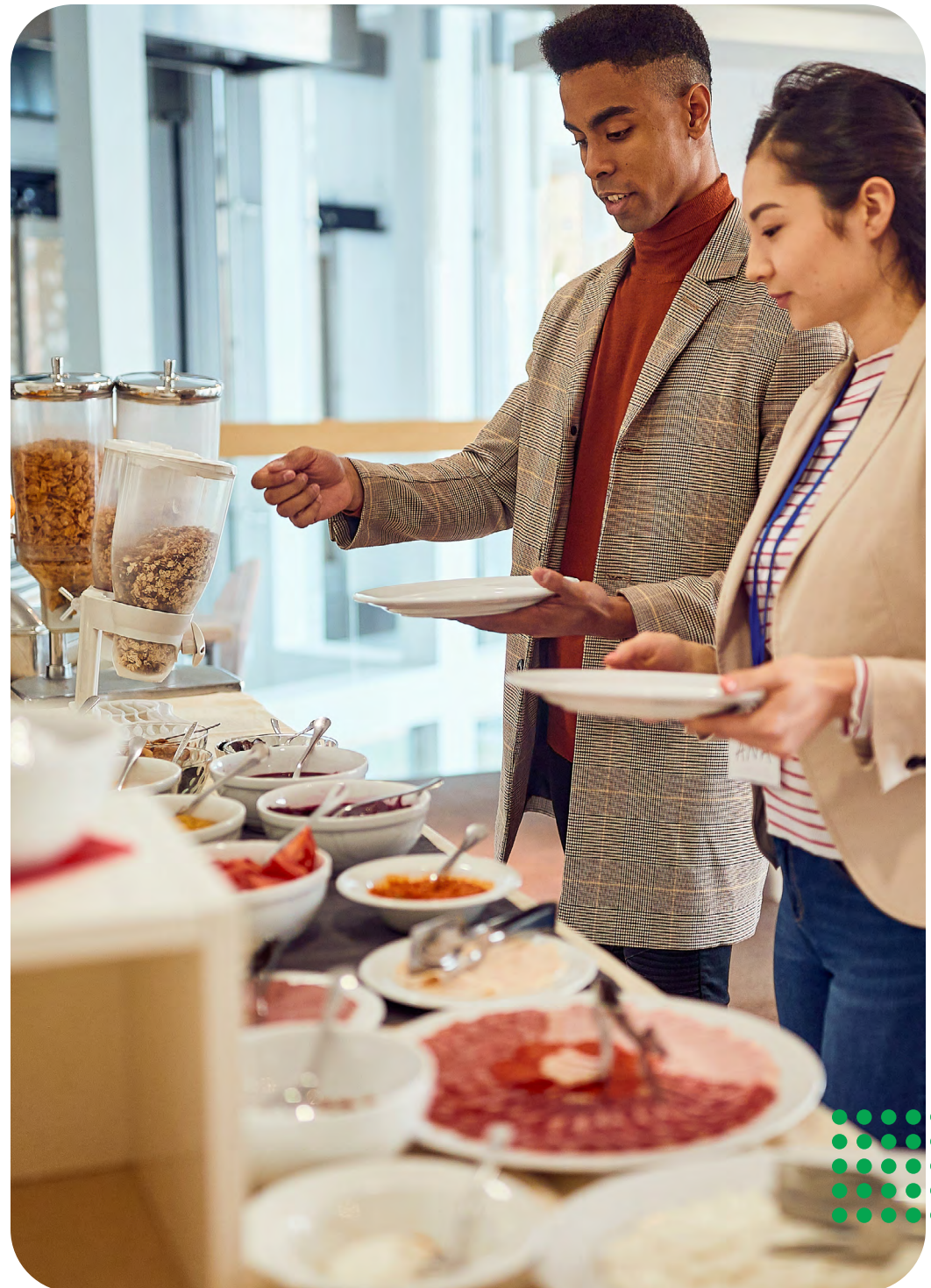
Technomic Consumer Operator
Outlook Report, Q4 2023

Growth Potential Beyond Consumer Dining

Restaurants are focused on value proposition to stand out from competitors as consumers hit the price ceiling. However, considerable growth potential lies outside of the consumer dining segment altogether.

Business dining spend reached 98% of 2019 levels in 2023, indicating an increased investment in dining as a relationship and culture-building tool.

There has also been a rise in large transactions, signaling a growth in catering spend and a lucrative opportunity for restaurants.



Slicing Corporate Catering Data

Dinova's proprietary corporate cardholder dining spend data reinforces the upward trajectory for corporate catering and reveals deeper insights that could inform restaurants' strategies in 2024. This data focuses on limited-service restaurants (LSRs), restaurants with minimal table service including fast-casual and quick-service formats.

Large business dining transactions are increasing.

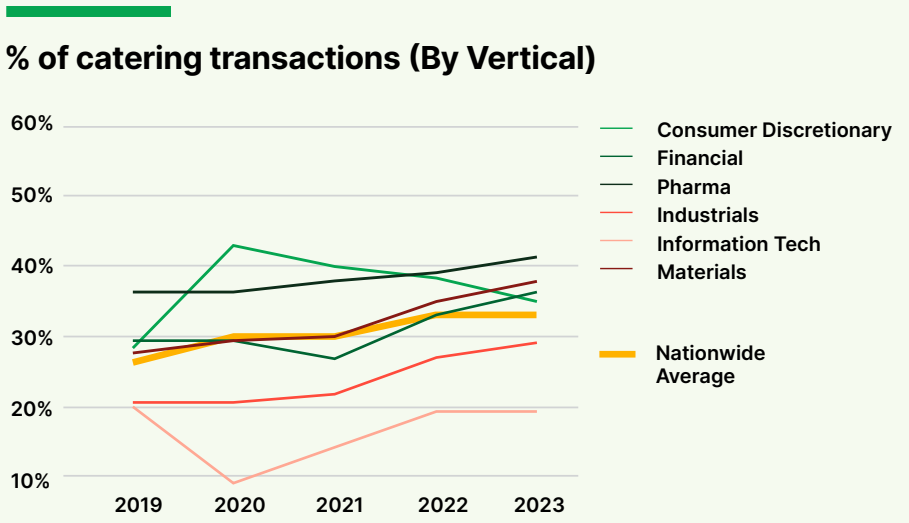
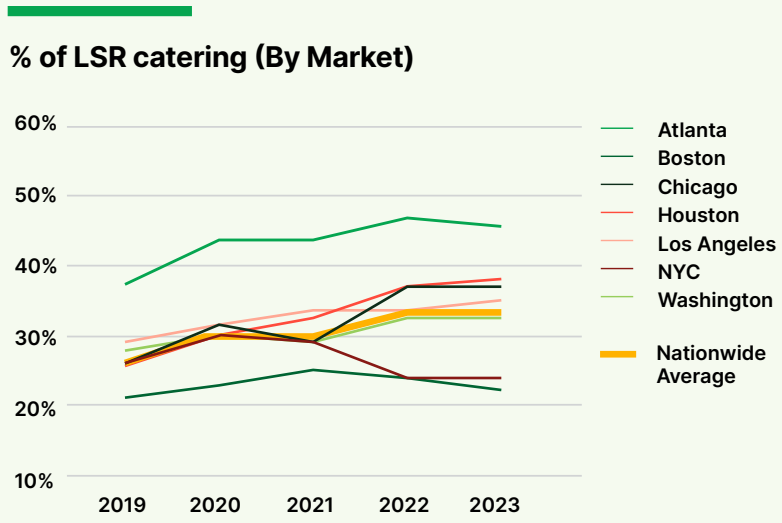
Catering orders make up a large portion of the business dining "pie." The rise in remote and hybrid work and subsequent push for more in-person work has driven a shift from smaller to larger transactions, signaling a shift from 1-2 person meals while traveling to group orders. **The percentage of large business dining transactions increased by nearly 7% from 2019 to 2023.**

Catering trends by market follow return-to-office trends.

As with overall business dining recovery, corporate catering trends vary by region. While seasonal trends have a similar impact on large orders across markets, some (like Chicago) follow the trend line closely while others (like Atlanta and NYC) either outpace or underperform compared to the overall trend.

Every industry has seen a shift.

5 of the top 6 industries in Dinova's dining program have shown an increase in catering transactions in recent years.



Business Catering: A Ripe Opportunity



The catering services market is projected to reach over \$103B by 2027⁶, driven primarily by corporate catering orders, which surpassed weddings in revenue in 2023. This marks a significant shift from 2022, where corporate events comprised only 25% of business for catering companies.

According to the 2023 International Caterers Association (ICA) industry survey⁷, almost half of caterers identified corporate catering as their primary growth driver. Additionally, Catersource's 2023 report⁷ found that nearly 70% of drop-off corporate catering orders were for events with 25 or more attendees, while over 60% of full-service orders were for events with 100 or more attendees.



Capitalizing on the corporate catering boom means understanding what motivates decision-makers.

We interviewed actual diners in Dinova's Preferred Dining program* to bring you these exclusive insights and tips! ➡

*Names have been changed to protect their privacy.

What's Behind the Business Catering Boom?

Return to Work. Workers are returning to their offices, with multiple cities setting post-pandemic records for office occupancy in early 2024. Almost a third (28%) of workplace leaders use free meals to incentivize and build culture⁸, with some large employers using catering to replace onsite cafeterias that shuttered during COVID.

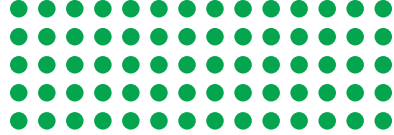
Meeting & Event Recovery. As of June 2023, the top 25 meeting and event markets were 90% recovered compared to 2019²; 2023 also saw global meeting spend increase 65%.⁹ With this resurgence of

large-scale events comes the need for more catering — from pre-conference breakfast spreads to drinks and canapés for networking hours.

Relationship Building. While technology like AI has dominated business headlines of late, there is no replacement for genuine, in-person connections — especially in sales-driven industries. Businesses understand this and are keen to invest in relationship-building tools like dining and entertainment, including catered meals to clients' offices and corporate gifting.

⁶<https://www.technavio.com/report/catering-services-market-industry-analysis> ⁷<https://nuphoriq.com/catering-stats/>

⁸<https://envoy.com/blog/return-to-office-incentives> ⁹ <https://www.amexglobalbusinessstravel.com/content/uploads/2022/10/2023-Global-Meetings-and-Events-Forecast-opt.pdf>



Onsite Employee Catering

From bagels in the breakroom to working lunches and celebratory spreads, free food is a way for employers to show their appreciation, promote positive company culture, and soften the blow as controversial return-to-office mandates take effect.

There are two main types of office catering — drop-off/pick-up and buffet style — and depending on the size and nature of the event, the need can be planned or more last-minute.

Flexibility is critical, along with providing crowd-pleasing, easy-to-eat catering menu options.



Pro Tip: Besides making the experience seamless and hassle-free for Andy, consider offering a bonus gift card for purchases above a certain threshold. After all, satisfying schedules and appetites is tireless work that's often underappreciated!



Decision Maker

Admin Assistant Andy

As the person who manages calendars, reserves conference rooms, books travel, and knows everyone's birthdays and work anniversaries, Andy wears many hats. He has a shortlist of his favorite caterers, prioritizing convenience for internal meetings and regional cuisine when clients are visiting.

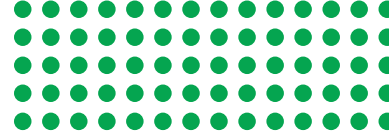
Motivation: Be seen as the "office VIP" by providing food that will appeal to colleagues and clients.

Green Flags 🇬🇪

- Delivery available
- Accommodations for special diets
- Regional specialties on the menu
- "Extras" included, like plates and utensils
- Affordable and upfront pricing
- Easy ordering and clean-up

Red Flags 🇷🇪

- Messy foods or poor presentation
- Longer lead times
- Inaccurate order or ETA



“We bring customers in for meetings here. So if they are here, no matter what the meeting is, they’ll get breakfast and lunch. We do quarterly anniversaries. Four times a year just for that, we order food for every single person. So we’ll do food for about 300 people four times a year. I do it three times during the holiday, for Christmas. [...] It’s about a \$5,000 to \$6,000 thing that I do each time.”

-Administrative Assistant in
Dinova’s Dining Program

Thinking Outside the Boxed Lunch

As companies look to provide fun, unique experiences for employees, options like food trucks and mobile juice bars are increasingly popular. Here are a few innovative catering examples from Dinova’s restaurant partners.

JOE & THE JUICE

Joe & The Juice’s corporate catering options include the Joe Event Bar, Joe Truck, and the Container – a mobile Joe & The Juice store.

THE CUPCAKE BAR

The Cupcake Bar invites business diners to enjoy full-service, interactive dessert experiences with cupcake, donut, and caramel apple bars.



Cold Beer and Cheeseburgers takes its signature burgers on the road with a food truck capable of serving events from intimate happy hours to full-scale marquee events.



Meeting & Event Catering

While many large business events and conferences paused or went virtual during the pandemic, businesses realize there's no substitute for valuable networking during in-person industry events. Those events are back in full force, and planners are pulling out all the stops to make them memorable.

Restaurants benefit from the increased corporate travel and catering driven by large conferences and would do well to monitor upcoming events in their local markets. Appealing to corporate event planners is also key to cashing in.

Decision Maker

Event Planner Evelyn

Evelyn's superpower is making sure large-scale corporate conferences run like clockwork. She needs restaurant partners who can keep up with the demands of large events, diverse crowds, and shifting corporate spend and sustainability policies.

Motivation: Optimize the attendee experience while minimizing the event budget.

Green Flags 🇬🇪

Streamlined booking process

Clear value proposition beyond discounts

Business event amenities

Menu offerings for special diets like gluten-free or vegan

Red Flags 🇷🇺

Lack of communication or long response times

Poorly trained or unprofessional staff

Unclear pricing or fee structure



Pro Tip: To maximize value, compliance, and spend visibility, companies often have a network of preferred suppliers — including hotels, airlines, and yes, restaurants. Dinova's program helps restaurants get "behind the firewall" and on decision-makers' radars.

Sales & Relationship Building

Everyone knows there's "no such thing" as a free lunch, but complimentary meals have long been a business relationship-building tradition. This is especially true for industries like pharmaceuticals, where food provides access to busy, otherwise hard-to-reach customers.

Catering makes up a larger share of the pharmaceutical business dining spend than any other industry. Over 42% of pharmaceutical transactions are catering orders, about 10% more than Materials which has the next highest catering spend percentage. The opportunity is so

significant that many restaurants near medical facilities have adopted special catering menus and programs for pharma sales. Restaurants can appeal to these deep-pocketed business diners by understanding their unique needs.



Decision Maker
Sales Rep Stacy

As a pharmaceutical rep, Stacy constantly visits medical facilities in hopes of scoring a meeting with physicians. She first needs to woo receptionists or nurses to get her foot in the door, and knows that people will pay more attention to her sales pitch if there's food involved.

Motivation: Establish and nurture relationships with gatekeepers and decision makers.

Green Flags 🇺🇸

- On-time, accurate delivery
- Staff recommendations or personal preference
- Healthy and "grab and go" options
- "Family" bundles available
- Ease of ordering

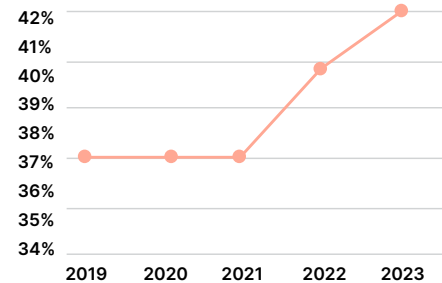
Red Flags 🇺🇸

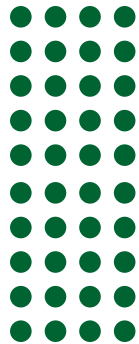
- Meals or gifts that could appear "lavish"
- Late or unprofessional delivery

"Our clinics range from three people up to 50 people. It depends on the office that we're feeding, but normally it's going to be in bulk style, not ordering one-off menus. Normally my lunches are anywhere from \$200 to \$300."

-Senior Diabetes Medication Sales Rep in Dinova's Dining Program

Share of Catering Txns for Pharma Spend





Benchmarks

What should you expect for your specific region or restaurant category?

Enterprise sales are the largest factor in business dining recovery. Because of this, the benchmark analysis focuses on performance of this segment in 2023. BDIndex is calculated using a fixed sample of restaurants.

Enterprise Business Dining Recovery in 2023 compared to the lowest point (Q2 2020)

BDIndex For Enterprises By Market

Overall BDIndex for Enterprises 2023: 72

Chicago, Las Vegas, and Los Angeles are leaders in overall business dining recovery since Q2 2020.

Chicago
▲ 75 (+65)

Los Angeles
▲ 68 (+58)

Washington D.C.
▲ 61 (+51)

Dallas
▲ 72 (+55)

Orlando
▲ 65 (+53)

New York
▲ 53 (+48)

Houston
▲ 70 (+56)

Atlanta
▲ 64 (+48)

Las Vegas
▲ 73 (+62)

San Francisco
▲ 61 (+51)

Top 10 Industries

for Business Dining Recovery

Utilities continues to outspend other industries with a BDIndex 20 points higher than the next best-performing industry, industrials.

Utilities
▲ 106 (+94)

Energy
▲ 71 (+55)

Industrials
▲ 86 (+68)

Discretionary
▲ 67 (+32)

Staples
▲ 84 (+55)

Financials
▲ 63 (+56)

Health
▲ 77 (+58)

IT
▲ 52 (+45)

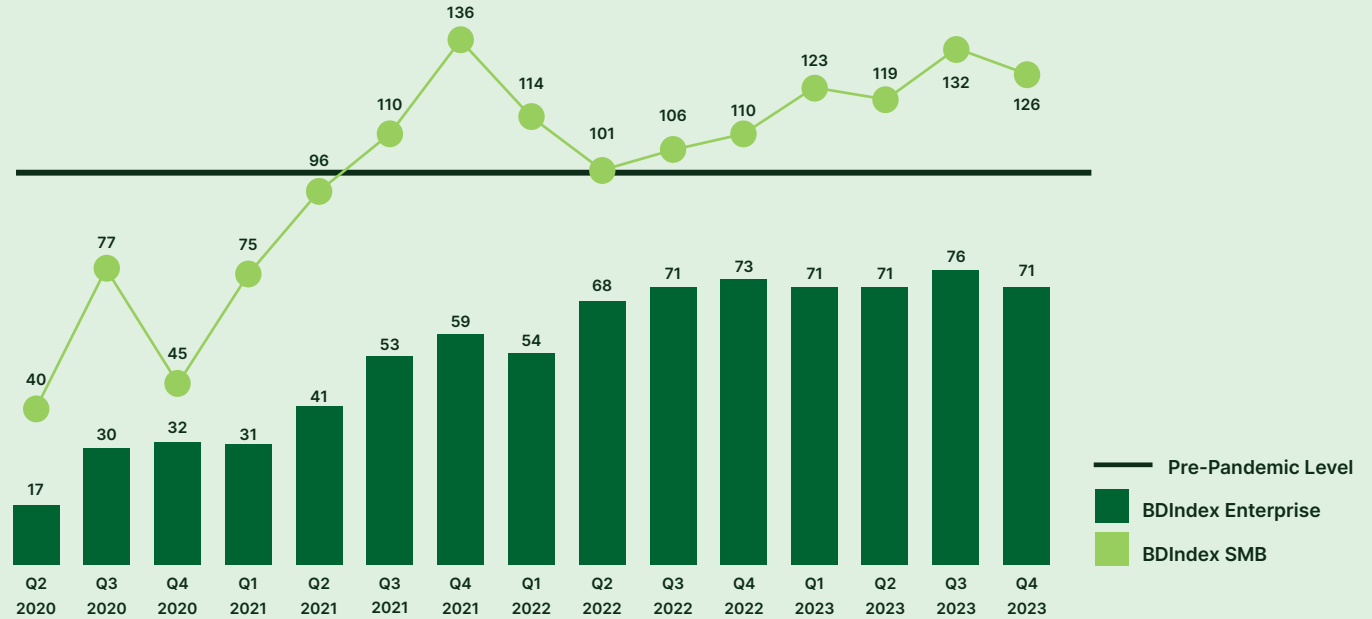
Materials
▲ 76 (+54)

Telecom
▲ 36 (+34)

Enterprise vs. Small Business Dining Recovery

In Q4 2023, the Enterprise BDIndex landed at 71 — contracting slightly after reaching a post-pandemic high of 76 in Q3.

The SMB BDIndex remains significantly higher than Enterprise, due to many small businesses lacking the remote work capabilities of enterprises. It also took a dip in Q4 2023.



Enterprise Business Dining Recovery in 2023 by Category compared to the lowest point (Q2 2022)

Top 5 Limited-Service Restaurants Enterprise BDIndex Recovery by Menu Type

- Coffee Café** ⬆️ 91 (+78)
- Sandwich** ⬆️ 70 (+34)
- Chicken** ⬆️ 90 (+50)
- Mexican** ⬆️ 71 (+48)
- Burger** ⬆️ 72 (+38)

Top 5 Full-Service Restaurants Enterprise BDIndex Recovery by Menu Type

- Steak** ⬆️ 68 (+60)
- Seafood** ⬆️ 61 (+57)
- Family Style** ⬆️ 64 (+44)
- Asian Noodle** ⬆️ 59 (+55)
- Pizza** ⬆️ 63 (+48)

Top 5 Restaurant Types Enterprise BDIndex Recovery

- QSR** ⬆️ 82 (+49)
- Midscale** ⬆️ 67 (+48)
- Fine Dining** ⬆️ 76 (+75)
- Casual Dining** ⬆️ 63 (+53)
- Fast Casual** ⬆️ 68 (+46)

Takeaways for Restaurants

Business Dining Recovery (BDIndex)

Business dining is no longer in recovery. It's thriving. After reaching a post-pandemic high of 103 in Q3 2023, the BDIndex landed at 98 in Q4.

Inflation Squeezes Consumers, Not Business Diners

As consumers tighten their purse strings, restaurants need other growth avenues. Business diners are far less cost-sensitive and investing in meals to build relationships and culture. Restaurants that effectively target them through programs like Dinova's stand to profit.

Business Dining is Driving Catering Growth

Business dining has surpassed weddings as the #1 driver of catering sales, and these large transactions now make up a third of business dining spend. It's a lucrative opportunity for restaurants that can appeal to decision-makers.

Target Business Catering Across Three Key Segments

There are three main types of business catering: in-office catering, meeting & event catering, and relationship-building catering (popular with sales professionals). Understanding the unique needs and decision makers can help restaurants become preferred partners.





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