

2024 RESTAURANT

CONSUMER REPORT

HOW DATA AND INNOVATION ARE
Redefining Restaurant
Marketing Strategies



IN TODAY'S EVOLVING RESTAURANT INDUSTRY, IT FEELS LIKE THE GROUND IS SHIFTING BENEATH OUR FEET.

With menu prices climbing and the simple joy of eating out becoming more of a luxury for consumers, it's clear that sticking to the old ways of marketing won't cut it anymore. It's time for a change — a shift toward embracing the tools and insights that the digital age offers. This isn't just about keeping up; it's about setting the pace, turning obstacles into bridges leading to something great.

RRD's *2024 Restaurant Consumer Report* dishes out insights drawn from our *Awareness-to-Action Study* on what it means to navigate the future of dining with precision and innovation. The Restaurant Consumer Report is not just about simply serving up data, it's about looking at the numbers and the stories they tell, about seeing the data not as cold, hard facts but as keys to understanding what people want and how to give it to them. The challenge is for restaurants to find new and creative ways to stand out and draw people in.

Marketers are poised to navigate a landscape defined by the merging of innovative technology and enhanced consumer experiences.

SIX-COURSE MARKETING MENU

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01

PRICE PRESSURES AT THE TABLE

A stark reality has settled in: The cost of dining out is testing the limits of consumer spending. It's a delicate scale where the value of experience balances against the weight of the wallet.

A TALE OF TWO INCREASES

Staying at Home vs. Dining Out

In the first month of 2024, grocery bills inched up by **0.4%**, while restaurant tabs rose by a more substantial **0.5%** — a trend that has seen food away from home climb by **5.1%** over the past year.¹

Consumer Threshold

A notable **67%** of patrons now say that the increased cost of restaurant meals is pushing dining out of reach — an uptick from **64%** the previous year, marking a steady climb in cost concerns.

The Home Cooking Equation

Only **36%** feel that rising grocery prices make eating at home less of a bargain, down **5** percentage points from last year, indicating a complex valuation between home-cooked meals and the restaurant experience.



CHANGING TASTES AND SPENDING

Amidst rising prices, diners are altering their habits

The splurge of trying new eateries is dampened by price tags, questioning if high costs are satisfying the craving for culinary discovery.²

Instances of sticker shock, like a \$3 hash brown at a popular fast-food chain, resonate with consumers, spotlighting the tension between cost and convenience.³

Source: 1 | Economic News Release, Consumer Price Index - January 2024, Tuesday, February 13, 2024; 2 | McCarron, Meghan; "Have High Prices Killed the Joy of Trying New Restaurants?," bon appetit, February 1, 2024; 3 | Suthenthiran, Lavina, "\$3 Hash Brown at McDonald's Is Not Going Down Well With Customers," February 8, 2024

01

PRICE PRESSURES AT THE TABLE

Quick Bite...

In an era of shifting consumer spending, restaurants are adapting with nimble pricing strategies. Wendy's, for example, is piloting dynamic pricing, which could signal a broader trend in the industry. This model adjusts prices in real-time, offering a responsive approach to the delicate balance of cost and demand. However, while this may be a smart business move, consumer feelings are mixed. Some view dynamic pricing with skepticism, perceiving it as price gouging, which could affect brand loyalty. [Read the article.](#)

Crafting Value in a Challenging Time

The restaurant industry's path forward is twofold: creatively navigate the new pricing realities and recalibrate the value proposition. It's about connecting with consumers where they are — physically and financially — and serving up experiences that justify the expense. By leveraging targeted [print](#) and [digital](#) products, restaurants can craft compelling narratives that turn diners into loyal guests, despite the rising tide of prices.

“

DANA BAGGETT, CLIENT STRATEGY EXECUTIVE DIRECTOR AT RRD'S RESTAURANT DIVISION, EXPLAINS THIS CHALLENGE:

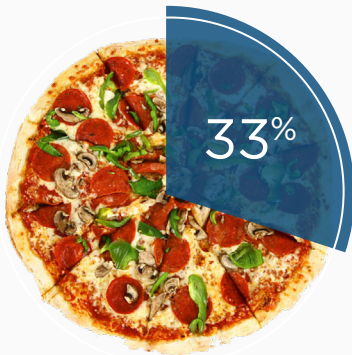
“As restaurant prices climb, consumers are increasingly changing their dining habits. Despite their love for restaurant cuisine, there's a noticeable reduction in the frequency of dining out. Additionally, consumers are trading down to less expensive restaurants and shifting to more affordable dayparts like breakfast and snack hours, reflecting a shift in how and when they choose to dine out.”



02 RESTAURANTS DISHING ON DINERS' PRIORITIES

Understanding the ingredients that make up the perfect dining experience is crucial. It's not just about the flavors on the plate but also the expectations and perceptions that restaurants have about what their customers value. As we examine the feedback from restaurant advertisers, it becomes evident that they believe consumers' dining decisions are influenced by a mix of quality, privacy, and social consciousness.

TOP PICKS ON THE PREFERENCES MENU



The Quality Quotient

For **33%** of restaurant advertisers, offering high-quality products and services is seen as the main course of decision-making — a testament to the timeless appeal of a well-crafted dining experience they believe diners value.



Data as a Delicacy

In an age where personal data is as valuable as a secret recipe, only **20%** of restaurants think diners prioritize data privacy and compliance, suggesting that while important, it's a side dish compared to other considerations.



Cost vs. Quality

Fair pricing is the chosen ingredient for **19%** of restaurants, reinforcing what they see as a delicate mix between cost and cuisine that appeals to diners.

Source: RRD Industry Survey September 2023 (n=536 all respondents - 103 restaurant respondents)

For a deeper dive into how restaurants can optimize data in their marketing strategies, while respecting privacy concerns, tune into our podcast:

**“DATA DELICACIES:
OPTIMIZING DATA
IN MARKETING.”**

02

RESTAURANTS DISHING ON DINERS' PRIORITIES

A Side of Values

Aligning with customers' values and offering coupons and discounts both sit at **26%**, reflecting a preference for restaurants that resonate with personal principles and offer tangible value, in the view of advertisers.

Cultural Cuisine

Authentic communication that aligns with customs, values, and culture appeals to **22%** of diners, according to advertisers, revealing a craving for restaurants that mirror their tastes and trends.

The Diversity Dish

Standing out with **29%**, support for diversity, equity, and inclusion is not just nice-to-have but a growing expectation, underscoring a shift toward socially conscious dining that restaurants believe is important to consumers.

Source: RRD Industry Survey, September 2023 (n = 536 all respondents — 103 restaurant respondents)

With rising prices due to inflation, maintaining guest loyalty is seen as more challenging — and more important — than ever. Read our **“Modern Marketer Report,”** to ensure your restaurant remains a favorite choice for diners, even as economic pressures mount.



02

RESTAURANTS DISHING ON DINERS' PRIORITIES

CROSS-MEDIA CRAVINGS

Print to Digital

A robust **62%** of consumers, particularly Gen Z, millennials, parents, millennial parents, and frequent diners, are likely to respond online after seeing a print ad for a restaurant. This crossover appeal highlights the potent combination of traditional and digital marketing tactics to entice potential customers.

The Icing on the Cake

Restaurants must craft a menu of experiences that resonate on multiple levels. The data supports what industry advertisers view as important: not just meeting but exceeding diner expectations in quality, value, and ethical considerations. It's about creating a brand that restaurants think diners not only savor but trust and respect.

DISCOVER THE
IMPACT OF PRINT

UTILIZE **SAVE**
DIRECT MAIL TO
EFFECTIVELY
REACH YOUR
PRIME DINING
AUDIENCE AND
ENHANCE YOUR
RESTAURANT'S
VISIBILITY.



03 THE INCREASING APPEAL OF DEALS AND DISCOUNTS

The allure of saving on dining experiences is undeniable, driving modern diners to make choices that align with the best value for their money. Our *Awareness-to-Action Study* consumer data highlights how deals, discounts, and special offers are pivotal in shaping the dining landscape.

SAVORY SAVINGS

Mailbox Deals

With **35%** of diners influenced by coupons and offers received in the mail, the value of a tangible takeaway can't be overstated. This method has seen a notable 4-point increase from 2023, emphasizing that the appeal of a discount in hand continues to grow.



28%
OF CUSTOMERS
are now drawn to online discounts
and coupons

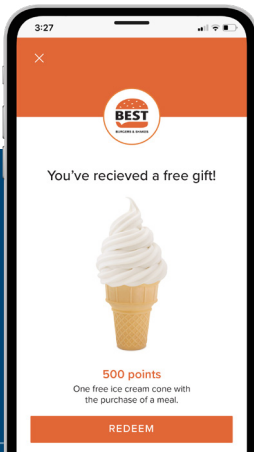
Online Deals

Maintaining a robust digital presence to capture the modern diner's attention has become increasingly potent, with **28%** of customers now drawn to online discounts and coupons — a 6-point jump from the previous year.

03 THE INCREASING APPEAL OF DEALS AND DISCOUNTS

Loyalty Programs

Also at **28%**, restaurant loyalty programs have proven more crucial than ever for fostering customer retention and nurturing a community of loyal enthusiasts, marking a significant 5-point rise from 2023. These programs represent a smart savings strategy for consumers, offering exclusive discounts, special promotions, and the chance to accumulate points that lead to savings on future meals.



App-etizing Impact

Restaurant app coupons and discounts influence **26%** of diners, a steady 3-point climb from 2023, showcasing the growing trend of mobile engagement in the dining decision process.



A Recipe for Loyalty

The goal of every restaurant is to turn occasional visitors into loyal patrons. By presenting a variety of savings opportunities across different channels, restaurants can cater to diverse preferences, ensuring that every diner finds a deal that tempts them back for more. In the end, by strategically offering deals and discounts, you pave the way for more memorable dining experiences and continuous customer engagement.

04 DECODING DINING DECISIONS THROUGH MEDIA CHANNELS

When deciding where to dine, whether for an in-person meal, carryout, or delivery, customers consider more than just discounts and special offers. The media through which these messages are sent play a pivotal role in influencing dining decisions. Let's explore the array of media tactics that guide customer behavior and how restaurants can leverage them to capture attention and drive action.

MOBILE DINING

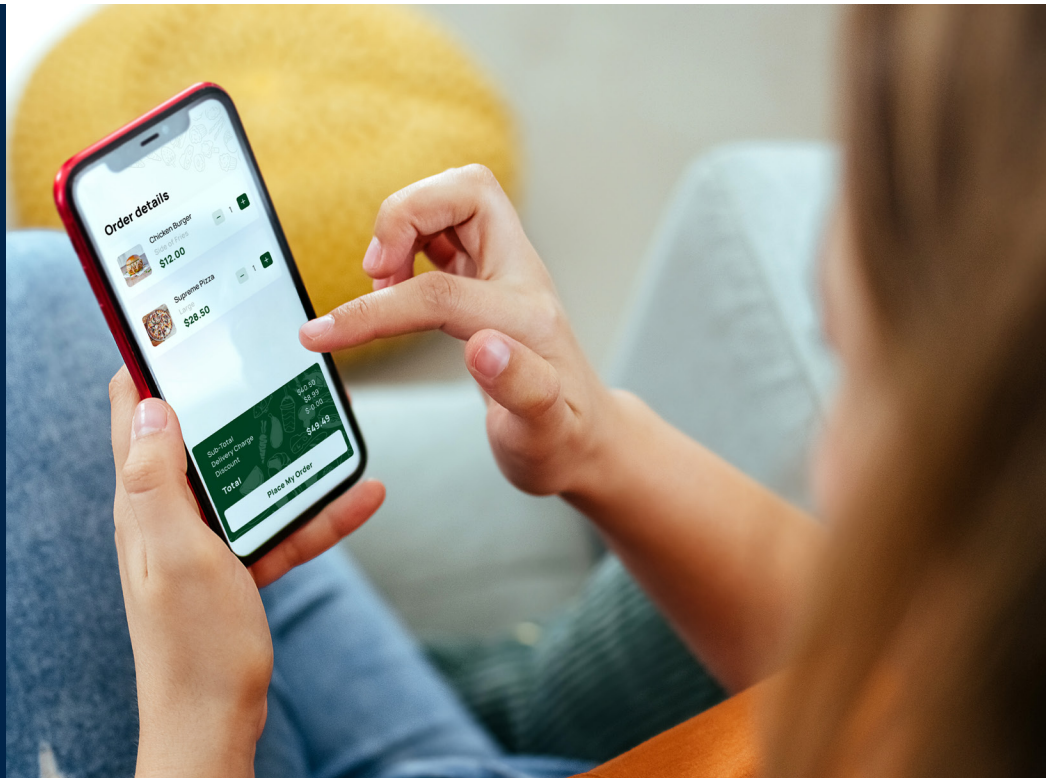
Pocket Maitre'ds

Attracting **25%** of diners, especially among Gen Z, parents, and heavy users, dining apps are crucial for convenient engagement, providing a direct line to the most dedicated customers.

Regular app users are
NOTICEABLY INFLUENCED AT

61%

up significantly from
56% in just one year



04

DECODING DINING DECISIONS THROUGH MEDIA CHANNELS

THE TRADITIONAL TOUCH

Printed Coupons and TV Teasers

While digital platforms grow, traditional media remains influential. Printed coupons persuade **23%** of customers, and television ads capture the attention of **17%**, demonstrating the continuing power of these formats to engage audiences and inspire dining decisions.

Time-sensitive Specials

Limited-time offers featured in print ads are the deciding factor for **15%** of customers, underscoring the effectiveness of well-timed and well-placed traditional ads.

The evolution of streaming TV opens new horizons. RRD's Connected TV solution combines our proprietary Consumer Graph™ technology with the precision of digital analytics to connect restaurants with their ideal streaming audience in a dynamic viewing landscape.

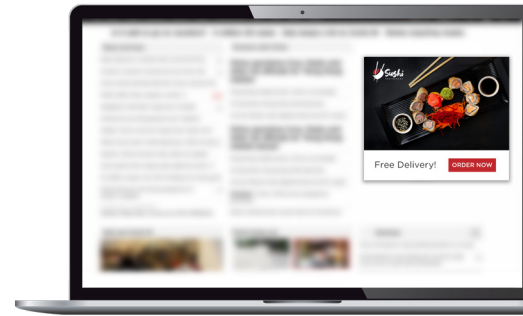


04

DECODING DINING DECISIONS THROUGH MEDIA CHANNELS

ONLINE INFLUENCE: AMPLIFYING ENGAGEMENT THROUGH DIGITAL ADS

Digital ads have emerged as a more significant force, captivating **23%** of Gen Z customers and more than **20%** for frequent diners. This underscores the growing impact of digital marketing strategies, especially display advertising, in reaching and engaging key demographics.



By harnessing the power of [display advertising](#), restaurants can craft compelling narratives that resonate with a tech-savvy audience, fostering deeper connections and driving more frequent dining decisions.



Harness the Digital Advantage

Our digital platform offers deep insights into consumer interests and behaviors, enabling you to anticipate needs, predict and influence intent, and precisely engage those who are ready to dine with you.

04

DECODING DINING DECISIONS THROUGH MEDIA CHANNELS

THE GIFT OF GAB

Personal Recommendations

Dominating the influence chart at **41%** is the impact of word-of-mouth approval from family and friends. This tried-and-true approach has seen a substantial 7-point increase from 2023, solidifying its strength, even in our highly digital world.



Word of mouth remains a key driver in the restaurant industry, with approval from family and friends often being the most trusted source for diners. By leveraging strategic social media marketing solutions, like branded paid social and influencer marketing, you can amplify your brand's presence and translate online buzz into foot traffic.

Blending Channels for Optimal Influence

It's clear that while digital platforms are gaining ground, the mix of media that influences dining decisions remains diverse. The significant rise in the impact of restaurant loyalty apps reveals a digital dining trend that can't be overlooked, signaling an opportunity for restaurants to invest more in these platforms and feature them in a multi-faceted marketing approach.

05 AI AS THE NEXT FRONTIER IN RESTAURANT MARKETING

Restaurants are at a technological crossroads with AI and machine learning, where potential meets practicality. RRD's industry survey from September 2023 reveals a sector ripe for innovation but cautious in its adoption.

Consideration vs. Commitment

HYPE OR HELP?

PRESENTLY,

33%

OF RESTAURANT MARKETERS

view AI and machine learning as more hype than real solution, reflecting the need for a clearer vision of its practical application.

CURIOSITY TO COMMIT

HOWEVER,

45%

OF THE INDUSTRY

expresses a strong interest in employing AI and machine learning but don't know where to begin.

TENTATIVE TECH STEPS

WHILE

10%

ARE BEGINNING TO USE AI

to meet marketing needs, there are **13%** actively integrating these technologies into their marketing strategies, signaling a shift to more sophisticated, data-driven approaches.

Source: RRD Industry Survey, September 2023 (n = 536 all respondents - 103 restaurant respondents)

05

AI AS THE NEXT FRONTIER IN RESTAURANT MARKETING

OVERCOMING AI INTEGRATION CHALLENGES IN MANAGING FIRST-PARTY CUSTOMER DATA

Consideration vs. Commitment

Nearly a third (**29%**) are contemplating AI tools, yet haven't finalized their investment or begun implementation, suggesting a transition phase in the market.

Size and Scope

For **37%**, the perception that AI tools are out of reach for smaller companies presents a significant barrier.

Data Dilemmas

A notable **39%** feel they lack sufficient data to justify leveraging AI, indicating a gap in data accumulation or utilization strategies.

Source: RRD Industry Survey, September 2023 (n = 536 all respondents — 103 restaurant respondents)

THE PATH FORWARD TO AI MASTERY

The interest in AI and machine learning is real, yet, for many, the path to integration is unclear. RRD data highlights a prime opportunity for solutions that simplify AI adoption, offering scalable options for restaurants of all sizes and data capabilities, and paving the way for technology to be as much a part of the dining experience as the cuisine itself.

NXTDRIVE™ FROM RRD

is the only customer data marketing platform with AI and machine learning capabilities that combines first-party data management and marketing activation from a single solution partner for precise targeting and multichannel delivery.

06

CRAFTING THE FUTURE OF RESTAURANT MARKETING

For today's restaurant marketers, the imperative is clear: Forge strategies that are both efficient and effective. The focus is now to get the most out of every marketing dollar by leveraging the latest tools for sustained, growing success.

The Mandate for Restaurants: Innovate With Data and Tech Now

Embracing customer and industry data is now the cornerstone of marketing intelligence, resonating deeply with consumer behavior and shaping strategic decision-making. It goes beyond simply reacting to market challenges — it's about anticipating them, leveraging data and technology to drive meaningful engagement, and influencing behavior in an economy where dining out is now considered a luxury. The directive for restaurant brands is to innovate through data and technology, transforming insights into action and opportunity.



ABOUT THE RESTAURANT CONSUMER REPORT

The report explores emerging trends in consumer behavior that significantly impact the restaurant services industry. It offers valuable insights, addresses challenges, uncovers opportunities, and suggests innovative marketing strategies to channel through this evolving sector. The RRD *Awareness-to-Action Study* was conducted in January 2024 in conjunction with Prosper Insights & Analytics and involved 1,866 respondents. The participants, all at least 18 years of age and residing in the contiguous United States, were carefully selected through an online consumer research panel.

ABOUT US

At RRD, we apply extensive industry expertise to deliver end-to-end solutions, effectively targeting and transforming customer touchpoints into moments of impact. Our global network of resources, creative execution, proprietary technologies, and measurable media influence engagement across the entire customer journey. Our clients trust us to deliver innovation and operational excellence that elevates performance.

[Learn more at RRD.com.](https://www.rrd.com)