

PERFORMANCE IMPROVEMENT

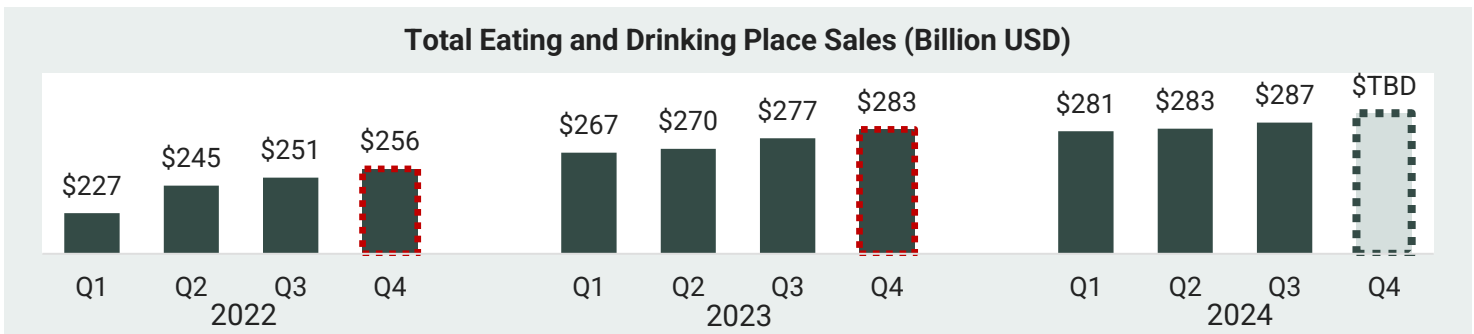
Navigating The Holiday Rush:
Key Strategies For Restaurant Success



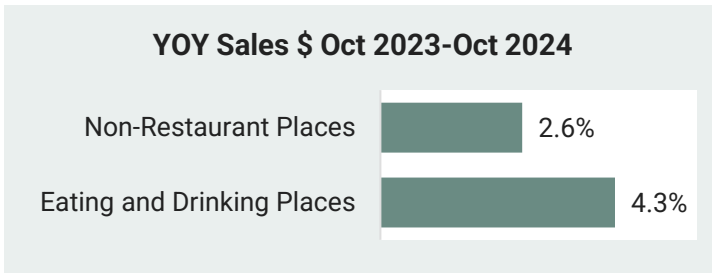
MAXIMIZING HOLIDAY SUCCESS IS ESSENTIAL FOR RESTAURANTS TO BOOST SALES AND ACQUIRE NEW CUSTOMERS

The busy holiday season is a pivotal time for restaurants to drive revenue, meet year-end financial targets, and attract both new and returning customers. The second half of the year and particularly Q4 are historically a significant pickup for eating and drinking places, a trend heightened by consumers' increased willingness to splurge on dining experiences post-pandemic. According to the National Restaurant Association (NRA):

- July-Sept (Q3) Sales were \$287 Billion, the highest spending yet, and continues to grow
- Restaurant sales rose for the 7th consecutive month in October



Source: Restaurant.org



Source: Restaurant.org

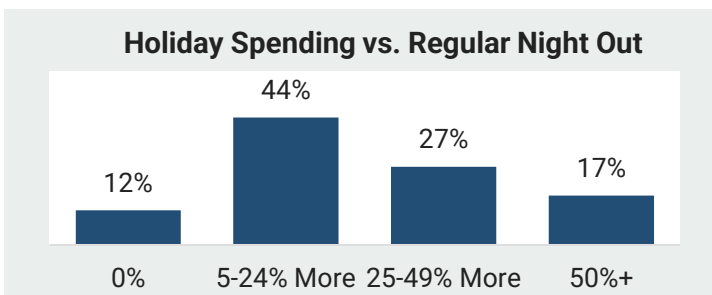
Recent sales data from the NRA also suggests that while spending in other categories may be slowing (+2.6% to LY), the restaurant industry continues to experience growth (+4.3% to LY). As the fourth quarter progresses, there is strong potential for restaurants to boost sales through utilizing loyalty programs, digital integration, innovative offers and assortments, and omnichannel services.

Consumers are willing to spend more for holiday celebrations

Restaurant spending increases during the holidays not only due to frequent family gatherings, but additional carry-out meals and splurges on special occasion dining. The pandemic shaped a new era of spending, and consumers continue to look for convenience and time-saving opportunities. A 2023 survey conducted by the NRA indicated:

- Sixty-three percent of respondents would eat out during the holidays
- Forty-eight percent of respondents planned to order takeout or delivery
- Sixty-three percent of respondents would also purchase desserts from a restaurant

Source: Restaurant.org



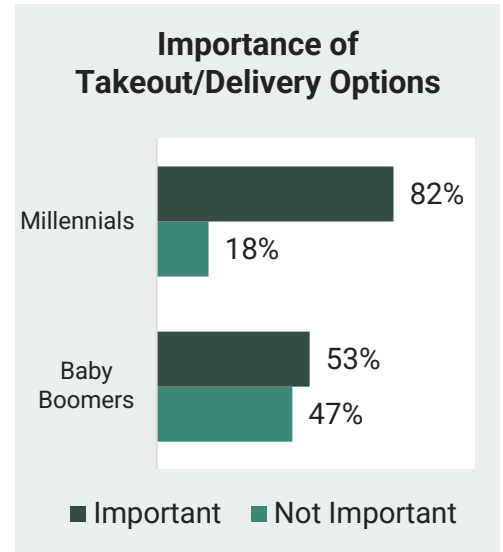
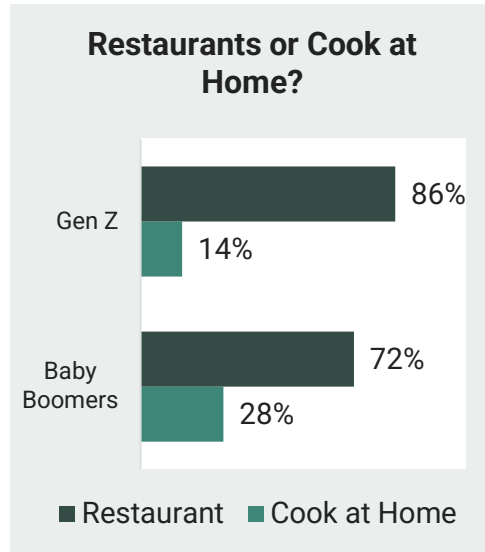
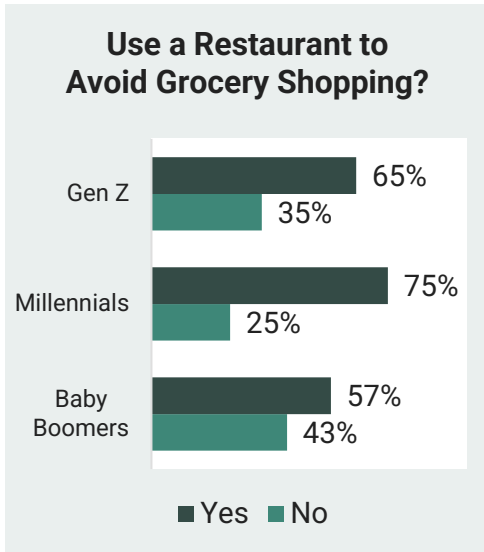
Source: Exploretock.com

A recent survey also revealed that 88% of diners are willing to spend more on a holiday celebration compared to a typical night out, with 17% ready to spend 50% or more. This uptick in spending underscores the heightened focus on the Q4 months, and the opportunity in consumer's wallets – and stomachs.

The Generational Divide

There appears to be generational gaps across dining preferences, and a transition to restaurants over cooking at home as consumers age up. According to the NRA, throughout the holiday season:

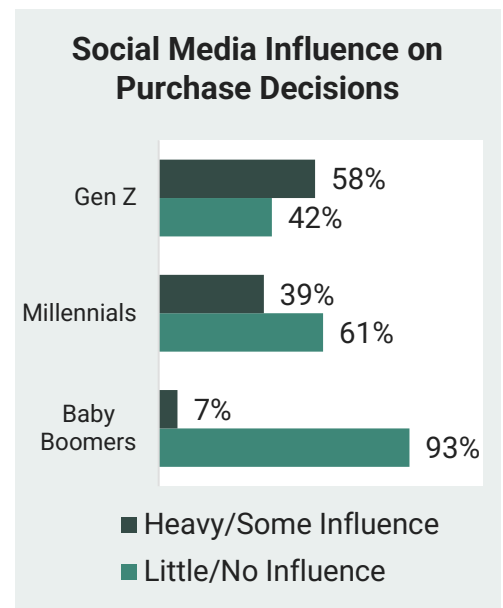
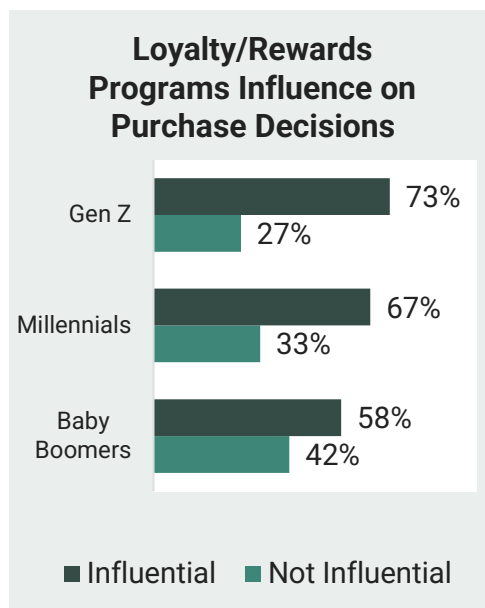
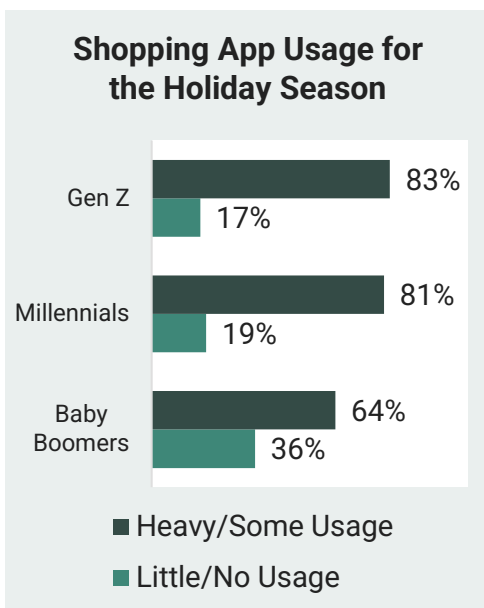
- Millennials (75%) and Gen Z (65%) diners are more likely than baby boomers (57%) to use a restaurant over the holidays to avoid grocery shopping.
- Gen Z (86%) is more likely to eat out or order in from a restaurant than baby boomers (72%).
- Millennials (82%) value takeout and delivery options more than baby boomers (53%).



Source: Restaurant.org

Ankura’s 2024 Consumer Holiday Survey covering Holiday shopping trends revealed important distinctions in the preferences of younger generations regarding apps, loyalty and rewards programs, and social media.

- Gen Z (83%) and Millennials (81%) use shopping apps for holiday shopping more than baby boomers (64%).
- Loyalty / rewards programs are more important to Gen Z (73%) and Millennials (67%) than baby boomers (58%) – a trend that transcends industries.
- Social media has a stronger influence on Gen Z (58%) and Millennials (39%) versus baby boomers (7%).



Source: 2024 Ankura Consumer Holiday Survey

FOUR VITAL LEVERS TO PRIORITIZE THROUGHOUT THE HOLIDAY SEASON



LOYALTY PROGRAMS

Consumers are increasingly focused on **saving money and maximizing convenience**, a trend that has spurred the growth of loyalty programs – especially among younger demographics.

Loyalty programs **incentivize repeat business through gamification and accumulating points** redeemed for exclusive discounts and compelling items, a vital incentive to choose one restaurant over another.

Through account creation, restaurants **can streamline the ordering process** through saving credit cards, preferences, and addresses.

Most uniquely, programs provide opportunities for personalized engagement with the customer – **tailoring offers and communications to individual customer preferences**. Connecting with the customer opens the door for key data collection, learning purchase patterns that can help improve the customer experience.



DIGITAL INTEGRATION

In an age where convenience and efficiency are paramount, **digital integration** with in-app ordering, accessibility, and social media engagement has become a **cornerstone of the dining experience**.

Digitization elevates the customer journey by enabling **seamless online ordering and delivery options** – a critical factor in attracting and retaining customers, particularly those younger, as highlighted by the NRA.

By leveraging mobile apps, restaurants can **simplify the ordering process** through offering features such as saved payments, past orders, and personalized recommendations based on segmentation and purchase history.

Most significantly, digital integration opens the door to enhanced customer engagement through data-driven insights. By analyzing customer behavior, restaurants can **create a bespoke dining experience** that resonates with **individual preferences** and enhances customer satisfaction.



INNOVATIVE OFFERS & ASSORTMENTS

Creating **compelling promotions, unique seasonal items, and limited-time deals** instills a **sense of urgency** and secures a prominent spot in the eater's mind.

Beyond traditional discounts, **innovative and personalized offers can include bundles**, subscription services, and at-home meal kits, to **attract new and lapsed customers** and increase order values. To successfully stand out during the holidays, segmented and unique promotions are essential – protecting margins while catering to diverse customer preferences and enhancing overall engagement.

Seasonal assortments provide a key opportunity for menu refreshes, satisfying the need for **exciting novelty items, and justifying additional spend** for limited-time items.

Utilizing digital platforms and social media to promote these offers can additionally amplify reach and impact. **Leveraging the power of exclusivity and timeliness creates buzz and excitement.**



OMNICHANNEL & SERVICES

Consumers today have higher expectations than ever, looking for products exactly how and where they want it. Eaters seek **flexible dining options that cater to diverse lifestyles, which is particularly prominent among younger demographics who value convenience and adaptability.**

Omnichannel dining enables purchases through a variety of channels including dine-in, takeout, mobile-only pick-up locations, delivery, curbside pickup, and more. This flexibility empowers customers to choose how they want to engage with the business.

Having a **customer-centric model is paramount** – prioritizing exceptional service and customer experiences at the forefront of innovation. The combination of flexibility, technology, and service excellence enhances satisfaction and fosters repeat business.

WHAT IT'S LIKE TO WORK WITH ANKURA PERFORMANCE IMPROVEMENT (PI)

Ankura PI approaches its projects as partnerships. We do not succeed unless our clients succeed. In addition to leveraging the breadth of experience within the Performance Improvement team, we are able to leverage the breadth of Ankura's multiple operating groups to provide unparalleled subject matter expertise.

Our projects are typically a flexible model of in-person work coupled with remote data analysis and research. We flex our coverage to support your business, teams, and goals.

COLLABORATIVE TEAM APPROACH FOR COMPREHENSIVE CLIENT SUPPORT

1. PERFORMANCE IMPROVEMENT

- Strategic Planning & Transformation
- Digital Marketing
- Promotion Pricing / Offers Optimization
- Loyalty Program Effectiveness
- Cost Takeout & Optimization
- Organization & Labor Planning

2. OFFICE OF THE CFO

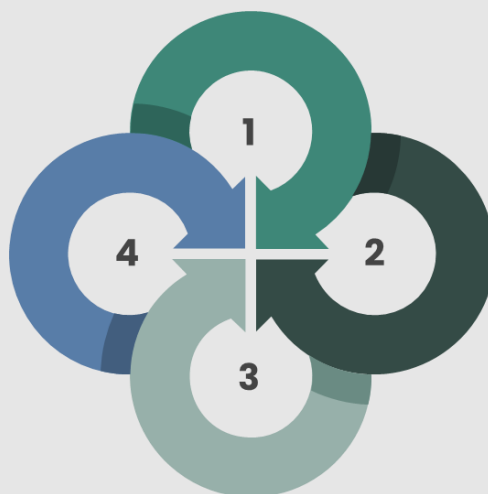
- Financial Reporting
- Working Capital & Liquidity Management
- Automated Cash Reporting
- Cash Flow Modeling
- Budgeting and Financial Modeling
- Third Party Delivery (3PD) Data Review

3. DATA & TECHNOLOGY

- Automation and Machine Learning Solutions
- Omnichannel Predictive Analytics
- Data-Driven Customer Analysis

4. REAL ESTATE & CONSTRUCTION

- Lease & Owned Portfolio Optimization
- Store / Fleet Cost Benchmarking
- Capital Projects Monitoring & Assurance



DRIVING STRATEGIC BUSINESS TRANSFORMATION, PRODUCTIVITY, ORGANIZATIONAL CHANGE, AND EBITDA

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