

## **Less than 30% of Canadians Satisfied with Restaurant Experiences Amid Higher Menu Prices, Agri-Food Analytics Lab Survey Finds**

HALIFAX, November 7, 2023 – The Canadian restaurant industry, having weathered the pandemic, now faces a critical juncture as numerous establishments grapple with escalating expenses related to labour, rent, and food. Presently, a staggering 51 percent of restaurants in Canada operate at a loss, marking a substantial increase compared to the pre-pandemic era when the figure was just 12 percent, as recently disclosed by the industry association **Restaurants Canada**.<sup>1</sup> The persistent challenge of operational costs and food expenses continues to plague the sector.

As we approach the holiday season, the **Agri-Food Analytics Lab** at Dalhousie, in collaboration with **Caddle**, conducted a survey of 5,521 Canadians this fall to gauge their perspectives on the food service industry and how food inflation is affecting their views.

### **Increased Awareness of Menu Prices**

We began by asking Canadians whether they have observed any changes in menu prices over the past 12 months. An overwhelming 81.0% of Canadians have indeed noticed alterations in menu prices, with **80.1% of respondents acknowledging that higher menu prices have influenced their dining-out choices. An additional 8.0% reported that they no longer dine out at all.** Moreover, a significant 88.3% of Canadians have expressed that they are dining out less due to higher overall food prices compared to a year ago.

### **Restaurant Selection Criteria**

A substantial **84.2% of Canadians have become notably more selective in choosing a restaurant**, largely in response to the rise in menu prices over the past 12 months. Notably, 77.1% of Canadians now predominantly opt for more affordable dining establishments due to the price hikes. **Discounts, rebates, and loyalty programs** are becoming increasingly popular, with 76.2% of Canadians showing a preference for establishments that offer such incentives.

Furthermore, a significant **89.7% of Canadians have become more budget-conscious** when deciding on a restaurant, as compared to a year ago.

### **Perceived Value for Money**

We also inquired about Canadians' dining experiences over the past year. **A mere 29.5% of respondents expressed being either very satisfied or satisfied** with their restaurant experiences based on the money they spent, signalling cause for concern.

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<https://www.cbc.ca/player/play/2279482435676#:~:text=More%20than%20half%20%E2%80%94%2051%20per.to%20industry%20group%20Restaurants%20Canada.>

A substantial **68.2% of Canadians have observed that portion sizes at restaurants have notably decreased compared to a year ago**, a phenomenon known as "shrinkflation" within the food service industry.

While we did not survey Canadians on the quality of service, it is noteworthy that many Canadians have also observed a decline in service quality at restaurants, likely attributed to staffing challenges.<sup>2</sup>

<i>Province</i>	<i>Very satisfied or satisfied with restaurant experiences based on money spent</i>
<i>Quebec</i>	42.0%
<i>Prince Edward Island</i>	41.2%
<i>New Brunswick</i>	32.8%
<i>Ontario</i>	28.5%
<i>Alberta</i>	25.8%
<i>British Columbia</i>	23.5%
<i>Newfoundland and Labrador</i>	23.2%
<i>Nova Scotia</i>	19.2%
<i>Saskatchewan</i>	17.3%
<i>Manitoba</i>	15.0%

**Dr. Sylvain Charlebois**, Director of the Agri-Food Analytics Lab at Dalhousie University, remarked on the survey findings, stating, "*The current level of satisfaction expressed by Canadians who visit restaurants is alarmingly low. Expectations have clearly changed. This survey underscores the profound impact that rising menu prices and food inflation are having on Canadian consumers' dining habits. It's a wake-up call for the entire restaurant industry, signalling the need for innovative strategies to adapt to these changing consumer preferences and economic challenges.*"

**Janet Music**, Research Manager of the Agri-Food Analytics Lab at Dalhousie University: commented on the survey results, saying, "*This survey provides valuable insights into how Canadians are reevaluating their dining choices in response to the challenges posed by menu price increases and food inflation. It emphasizes the importance of adapting to changing consumer behaviours and economic dynamics in the food service industry.*"

<sup>2</sup> <https://www.nationalnewswatch.com/2023/10/29/canadian-restaurant-industry-rebalancing-in-a-post-pandemic-economy/>

For more information and access to the full report, please visit <https://www.dal.ca/sites/agri-food.html>.

### **About the Agri-Food Analytics Lab**

The Agri-Food Analytics Lab at Dalhousie University is a research unit dedicated to providing valuable insights into the food and agriculture sectors. Their interdisciplinary team of experts conducts research on various aspects of the food supply chain, offering data-driven solutions to inform industry stakeholders and policymakers.

### **About Caddle**

With access to rapid insights at every stage of the consumer journey, Caddle® is the largest mobile-first insights platform that rewards Canadians for sharing data and engaging with brands. Caddle is the largest daily active survey panel in the Canadian Market, with over 10,000+ Daily Active Users and 100,000+ Monthly Active Users.

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**Methodology for the survey:** Caddle is one of the most credible active panels in the Canadian market. A representative survey of Canadians was conducted in The Fall 2023, in partnership with Caddle. 5,521 Canadians participated in this survey. The margin of Error: +/- 2.1%, 19 times out of 20. Any discrepancies in or between totals are due to rounding.

**Disclosure:** Funding for the survey was provided by Caddle and Dalhousie University.