By the Numbers: COVID-19's Devastating Effect on the Restaurant Industry

From canceled dinner plans to delivery app downloads, app data reveal how COVID-19 has brutalized restaurants

Vince Dixon March 24, 2020

As the novel coronavirus has spread across the world, collateral damage has been far and wide, with the restaurant industry <u>sustaining one of the heaviest blows</u>. While <u>on-the-ground reporting</u> is revealing that impact one story at a time, reservation apps, point-of-sale systems, and other tech platforms have effectively captured an enormous snapshot of the tectonic disruption in their databases — painting a quantifiable picture of just how much the novel coronavirus has warped American food culture in the last three months.

January to February: Americans lose their taste for Chinese food

Scientists believe the first COVID-19 outbreak occurred in Wuhan, China. Throughout January and February, it became the epicenter of the soon-to-be pandemic. As awareness of the novel coronavirus and its likely origin grew throughout January, in a xenophobic reaction to the outbreak, some Americans stopped dining at Chinese restaurants, leading many across the country to report steep declines in business; some have since closed.

Typically, around the Lunar New Year, there's an uptick in Yelp searches for Chinese restaurants. In 2019, there was a 56 percent boost in Yelp searches

on the first day of the Lunar New Year compared to the two weeks prior. This year, however, there was only a 38 percent increase, while in Chicago and Manhattan there was an actual decrease. Then, throughout the first three weeks of February, Chinese restaurants' share of daily restaurant "connections" — things like phone calls, website clicks, delivery orders, and reviews — dropped about 20 percent.

The term "coronavirus" was mentioned in Yelp reviews for businesses in Chinatowns at 10 times the rate it was in reviews for businesses in other neighborhoods — many in comments from people encouraging others to patronize their local Chinatown, a sentiment echoed throughout the country. Politicians and celebrities also took to social media to convince people to visit their local Chinatowns, but data show continued declines in business throughout February.

Ironically, what seems to have re-stoked the appetite for Chinese food was the wave of social distancing that began moving across the country as people started avoided large gatherings and became dependent on takeout and delivery: Interest in Chinese cuisine skyrocketed, while interest in other, less-takeout-friendly cuisines like traditional American, Japanese, and Italian sank.

February into early March: People cancel their dinner plans

As March approached, several West Coast cities like San Francisco and Seattle saw a rising number of COVID-19 cases and deaths. According to location technology company <u>Foursquare</u>, visits to casual dining restaurants tracked by the service started falling, declining 8 to 12 percent around February 24.

Not surprisingly, full-service restaurant reservations saw a drop. According to reservation app OpenTable, reservations in Seattle were down 31 percent by March 3 compared to the previous year. San Francisco saw a 24 percent

decline. In the following week, reservations continued to plummet, when Seattle and the Bay Area city saw a 49 percent and 43 percent decline, respectively. At that point, every city with 50 or more restaurants using OpenTable saw reservation declines as people increasingly stayed home. By March 8, several states, including Washington, California, and Florida — where some of the first novel coronavirus deaths occurred — had declared a state of emergency.

As some people likely pivoted to drive-thru or pickup options, the company found that visits to fast-food restaurants actually increased between February 19 and the week of March 13.