



COVID-19 Impact on Catering *October 2020*

Today's Goal

Share challenges, opportunities and strategies we each are experiencing as we adapt to thrive during COVID-19.

Executive Summary

UPDATED

- **COVID-19 is accelerating the shift to off-premises and specifically customers are shifting to online ordering.**
- **Customers are ordering Food for Work.**
 - We are seeing strong recovery with customers ordering “For my Clients.” Medical sales is the segment leading the way.
 - There is a slower recovery with the “For my Employees” customer segment as major companies are waiting to fully embrace Return to Work.
 - Once a perk, companies now view food for work as a safety measure.
- **You must become the COVID-19 optimized partner of choice to capture demand.**
 - Customer needs for Food for Work are shifting. The ability to support all their orders of varying size and complexity will get you more of their business.
 - Customers are looking for partners with lower lead times and lower delivery fees.
 - In order to accommodate larger and smaller occasions, your menus, packaging and operations will need to adapt with the customers’ needs.
 - Customers expect safety measures to be in place from their restaurant partners. Masks, contactless delivery and COVID-safe protocols are non-negotiable.



ezCater's Perspective

Catering is Helping us Return to Work

Off-premise meals for groups will provide stability and safety that employers will need. We're starting to enter Phase 2.

Phase 1 Safety

Group ordering increases slowly, with individually packaged options. New use cases like supply chain, warehouses and meals delivered for digital meetings.

- Lower checks / headcounts
- More individually packaged items
- More delivery, but contactless ordering (online) and delivery is preferred

Phase 2 Return to Work

The safest, easiest way to feed employees will be to have large group orders delivered to the office rather than have people leave. How orders are placed and how they look will change.

- Less takeout and on-premise lunches
- More group orders
- More delivery, but contactless ordering (online) and delivery is preferred
- Higher checks / headcounts

Phase 3 New Normal

Precautions and restrictions will loosen and the largest group orders will return.

- More traditional catering items for larger groups
- Higher checks / headcounts (return to pre-COVID-19 levels)
- Meals delivered to the office remain

The Future of Catering

The average check size for catering has dropped, but there are still larger, high-value orders. To capture the most revenue, you must also be able to accommodate smaller orders through lower orders minimums, lower delivery fees and no minimum quantities on menu items.

The largest catering orders are less frequent, but orders are still valuable.

Avg. Check

Pre-COVID **\$300** — Present **\$255**

Team meetings and meals for smaller offices are using traditional catering options.

Headcount: orders with NO individually packaged items

Pre-COVID **24** — Present **17**

Larger group meals are still happening with individual packaging.

Headcount: orders WITH individually packaged items

Pre-COVID Avg **15** — Present Peak **20**

ezCater's Perspective

- **In the beginning, we impacted what we could control.**
 - We joined forces with our customers & partners providing 35,000 meals to [Feed the Front Lines](#).
 - We offered [fee forgiveness](#) to our Catering Partners at the height of the pandemic.
 - We are supporting our enterprise customers with their [Return to Work Strategies](#).
- **We now have 6 months of data.**
 - ezCater has consistently grown week over week since March 2020.
 - Customer buying **“For my Clients”** are rebounding linearly by geography.
 - Customers buying **“For my Employees”** have a slower recovery as companies roll out their Return-to-Office (RTO) strategies in phases.
- **We've made operational changes.**
 - Realigned and doubled the customer sales team to reactivate and acquire customers who are buying catering.
 - Reallocated marketing dollars to surgically target “For my Clients” customers.
 - Launched new solutions to help our enterprise customers solve holistically for Food for Work.

Supporting Shifting Customer Needs

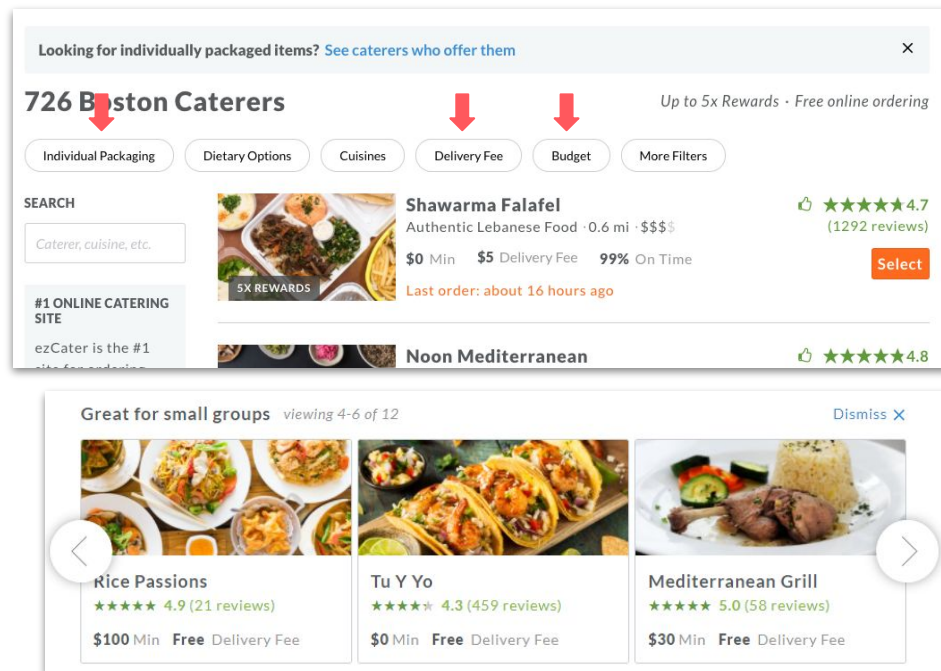
ezCater is actively testing new features that help customers find options that meet their changing needs.

- **New filters**

- Individually packaged items
- Delivery fees
- Budget (total or per person)

- **Search Carousels**

- Smaller Groups
- Last minute options



Making Ordering Easier

ezCater is testing ordering functionality to support new event types and to reduce effort and remove barriers for customers.

- **New group ordering features**

- Traditional group ordering: eater's choice
- The ability to have a few people build a catering order: catering collaboration
- Sending an order to a client to let them pick their own meals: "They pick, you pay"

- **Package recommendation engine**

- Input event details, including dietary preferences
- ezCater builds meal options that work
- Edit details and order

BETA
What do you need?
We'll build a package to your group's taste and your budget.

PEOPLE * 15
MEAL TYPE * Breakfast Lunch
INCLUDE Beverages Sides Desserts
SERVING STYLE Individually packaged meals
BUDGET ⓘ \$ or less \$5 or less \$55 or less \$555 or less

See Packages

Viewing 3 of 4 packages

Package	Price
Catering Lunch Package	\$222.25 \$14.82/pp
Salads Lunch Package	\$155.75 \$10.38/pp
Rice & Quinoa Bowls Lunch Package	\$156.75 \$10.45/pp

MAINS

Item	Price
10 Mediterranean Buffet	\$174.00
2 Falafel Quinoa Bowl	\$19.30
3 Falafel Rice Bowl	\$28.95
4 Chicken Salad Bowl	\$38.60
5 Braised Beef Salad Bowl	\$58.25
1 Braised Pork Salad Bowl	\$10.65
4 Falafel Rice Bowl	\$38.60
1 Falafel Quinoa Bowl	\$9.65
5 Braised Beef Quinoa Bowl	\$58.25
3 Chicken Quinoa Bowl	\$28.95
2 Braised Pork Quinoa Bowl	\$21.30
5 Falafel Salad Bowl	\$48.25

VEGETARIAN MAINS

Food & Beverage Price per head \$222.25 \$14.82/person

You can edit these items and add utensils, special instructions, and a tip in your cart.

Add to Cart

VEGETARIAN MAINS

Food & Beverage Price per head \$155.75 \$10.38/person

You can edit these items and add utensils, special instructions, and a tip in your cart.

Add to Cart

VEGETARIAN MAINS

Food & Beverage Price per head \$156.75 \$10.45/person

You can edit these items and add utensils, special instructions, and a tip in your cart.

Add to Cart

Chat with us



Understanding the B2B Customer in COVID

Key B2B Catering Customers

NEW

	Never Left Work	Returning to Work
For My Clients <i>(eg: Sales Reps & Trainers)</i>	Medical Sales	Trainers Sales Reps Consulting
For My Employees <i>(ex: Office Managers & Executive Assistants)</i>	Healthcare Construction Manufacturing Retail Government	Biotech Financial Services

“For my Client”: Customer Insights

NEW

- Strong recovery with “**For my Client**” Customers. Medical rep sales have rebounded linearly since the start of COVID.
- Massive shift as pharmaceutical reps embrace virtual meetings when they are unable to physically visit offices. We believe this trend will continue post pandemic.
- Many medical sales reps need to accomodate groups of 8-10 people but not enough catering menus can meet this demand.
- The current AOV is only \$25 lower than pre-COVID.
- Most medical sales customers are loyal to ~7 brands at any given time.
- Sandwiches (27%), Mexican (15%) and Italian (15%) are the top menu types.

89% of medical sales customers
are ordering food for
11am-3pm delivery

\$15-\$25 Typical per person budget
we hear for medical sales
(including delivery & tip)

“For my Client”: Growth by Metro

NEW

New customers by metro over the past 30 days



Metros with the most new customers:

1. Houston
2. Phoenix
3. Atlanta
4. Chicago
5. Dallas

Highest new customer growth rates (top 40 metros):

1. Salt Lake City
2. Boston
3. Columbus, OH
4. San Jose
5. San Diego

“For my Clients”: Voice of the Customer

“I cannot get into any med office during COVID without a meal. It is just straight up the cost of entry. Finding a restaurant who offers boxed lunches or individual packaging is so important. I choose restaurants that highlight photos of their boxed items.”

*Jill, Account Manager
Cincinnati, Ohio*

“Back in the day, I would just order a regular catering tray. The simple solution now is individually packaged meals. Everybody got onto that trend and now for over two months that is all I order and it works extremely well.”

*Perna, Pharma Sales Rep
Denver, Colorado*

“For my Employees”: Customer Insights

NEW

- Slower recovery with “For my Employees” customers.
- Many companies are looking to the Fall or beginning of 2021 to Return to Work.
- Major metros are seeing the fastest growth in catering demand.
- Return to Work timelines vary by verticals as offices open and individuals return in phases.
 - Construction, retail, distribution centers, manufacturing plants, and state and local governments have all seen surges in spend during COVID.
 - Higher Ed, Medical Centers, Real Estate & Retail are all seeing growth in phase 2.
- Different segments have emerged during COVID in an effort to feed and reward essential workers.
- The average headcount is 25. The average check size is only \$15 lower than pre-COVID.
- Sandwiches (30%), Mexican (12%) and Italian (9%) are the top menu types.

70% of “For My Employees” customers are ordering food for 11am-3pm delivery,

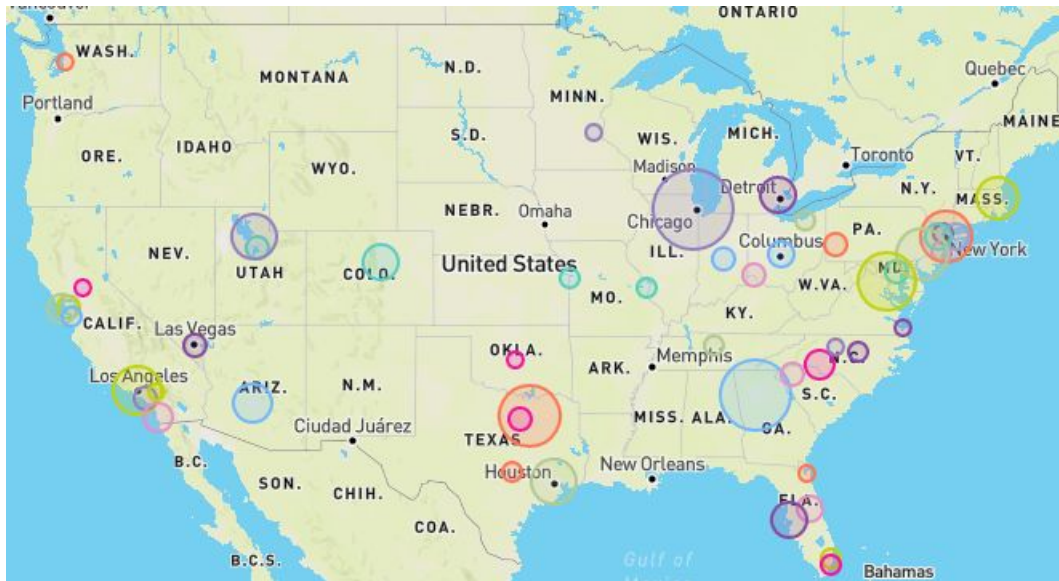
\$300

avg check size for “For my Employees” last 30 days

“For my Employees”: Growth by Metro

NEW

New customers by metro over the past 30 days



Metros with the most new customers:

1. Chicago
2. Atlanta
3. Dallas
4. Washington, DC
5. Philadelphia

Highest new customer growth rates (top 40 metros):

1. Provo-Orem, UT
2. Nassau-Suffolk, NY
3. Pittsburgh
4. Philadelphia
5. Newark

“For my Employees”: Voice of the Customer

NEW

“How we feed our people is going to be crucial. Now food for work is a matter of safety of our people. The stakes are that much higher than pre-COVID.”

*Zak, Events Lead
Atlanta*

“I am usually ordering for 20-50 people. I am ordering for colleagues, executives and event attendees. Since COVID, I exclusively order individually packaged catering.”

*Barbara, Exec Admin
Indiana*



Optimizing your catering program

How To Become Their Partner of Choice

- Restaurants who **accommodate smaller group orders** are top of mind for customers who have shifting headcounts and have to follow COVID safety protocols.
- **Individual packaging** vs tray catering preference is dependent on the customer. Brands who offer both offerings accommodate those most needs for these customers.
- Unpredictable meetings and lower budgets mean that **high delivery fees, high order minimums and high lead times** are a dealbreaker for many customers.
- The delivery experience is even more important since many sales or training managers aren't present to make sure the order is delivered as expected.
- Customers trust partners who pay attention to detail with safety measures, delivery, and packaging.

Adapting to meet customers needs in COVID



”

How we did things pre-COVID can't exist post-COVID. We have to think critically about everything from our settings, lead times, fees, menu, packaging to our operational procedures. If a brand still has the same settings right now that they did in January, then there is a lot of opportunity being left on the table.

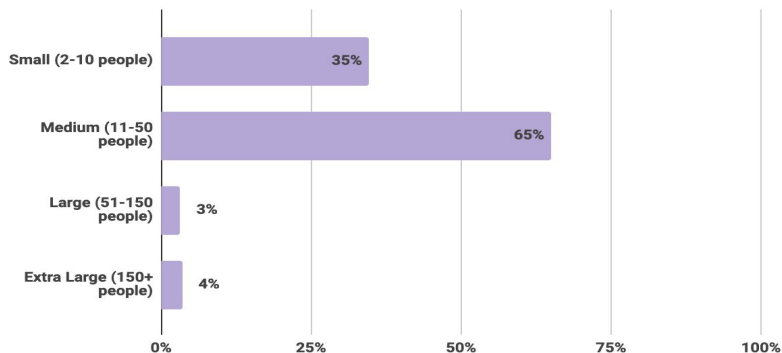
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NICOLE JACKSON
CATERING & SALES EXPERT

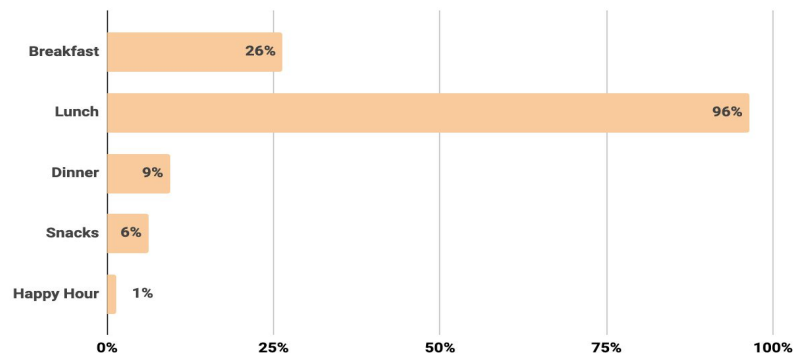
Support Large and Small Orders

- Customers are looking for options for small and last minute orders
 - Most customers order for medium groups at lunch but 35% primarily order for small groups (<10)
- Orders with only traditional catering menus are happening for smaller, more controlled groups.
 - It's important to maintain both traditional catering menus & individually packaged items to keep these orders.
- Top 3 reasons customers abandon orders: order/item minimums, cut-off times and delivery fees
 - These behaviors are primarily driven by customers buying "For my Clients"

Typical Headcount Last Two Months (N=344)



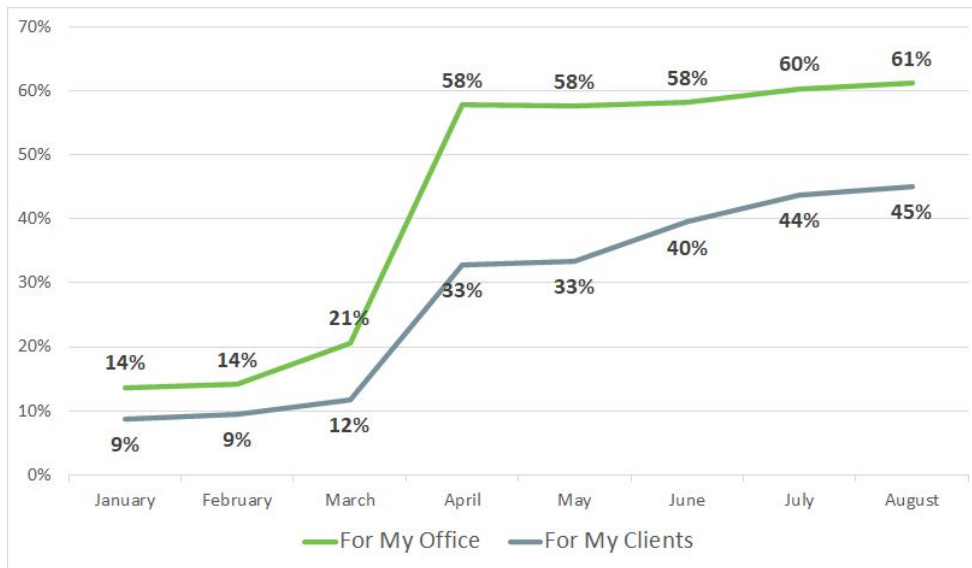
Meal Types Ordered Last Two Months (N=308)



Individual Packaging is a Necessity

- **61% of “For my Employees”** orders have individually packaged items. These orders have higher headcounts and check sizes.
- **45% of “For my Clients”** orders do NOT include individually packaged items. Many medical offices can accept traditional options because they’re better equipped. Catering trays/packages that can be used for groups of 6-8 are needed for these orders.

Percent of orders with individually packaged items by customer type



Boxed Lunches are a Customer Favorite

NEW

We've seen individually packaged items increase
5x in catering orders since March.

- Right now, **50% of orders contain an individually packaged item**, and boxed lunches are the #1 searched item on the marketplace.
- **Why?** Individually packaged items allow customers to enjoy feeding their team or meetings while having peace of mind about unnecessary handling.



Amy Faletti ▾

Great service

Great service, very reliable!

I appreciate the service and special detail to individual packaging due to extra precautions taken for Covid-19. My food was delicious and all of my meeting participants were delighted.



"I cannot get into any med office during covid without a meal. It is just straight up the cost of entry. If a restaurant doesn't offer boxed lunches or individual packaging? It's a dealbreaker. It's crucial for restaurants to have photos that show their boxed item or I will order from someone else."

- Kathleen, Med Sales Account Manager, Cincinnati

Optimizing Your Menu for COVID

Decrease serving sizes for top selling menu items

- Consider the serving size for guests- packages that are typically for 10-12 may benefit from additional size options for 5-6.
- Have plenty of items with no quantity minimums. This will help capture more 6-10 headcount orders.
- Individually packaged items are in high demand!

Add options for dietary restrictions and special diets

- The top three used dietary filters on our marketplace are vegetarian, vegan and gluten-free.
- Options for dietary restrictions is a top reason why a customer selects a restaurant for catering.
- Consider adding individual items to fulfill to this need or have modifications available.

Check pricing for today's budgets

- Some states and roles limit a med sales representative to a budget of \$15 per person for a catering order. This budget includes food, beverage, delivery, taxes and a tip. Think about introducing lower priced boxed lunches and options that would let them build a meal with you.
- Review your menu and pricing to make sure you are set up to reach all customers.

Lower Lead Times to Three Hours or Less

- The number of customers placing last minute orders spiked at the beginning of COVID.
- Fulfilling last minute orders is operationally complex. Simplifying your menu can set you up for success.
- Lowering lead times increases your chances of accommodating smaller group meetings.



46% of searches are for lead times less than **24** hours.

12% of searches are for lead times less than **5** hours. This has returned to pre-COVID norms.

Tips for COVID-Smart Catering Delivery

UPDATED

- **Reliability** remains the single most important element for business catering but is no longer based on on-timeliness. Safety is now a concern.
- Set a reasonable delivery fee. Customers are willing to pay a fee but want it proportional to either delivery distance or food & beverage total.
- High delivery fees can be a dealbreaker for smaller meetings and for customers who have per head budgets.
- Make sure you and your drivers have gloves and masks and are cognizant of customer safety requirements for drop off and/or setup.



Steps You Can Take Today

1. Rethink your catering Menu:
 - Add individually packaged items to your menu and have options with no quantity minimums. Think about adding your restaurant menu to ezCater.
 - Optimize your catering menu for smaller groups (e.g. 6-8 people) and to accommodate dietary restrictions.
 - Clearly label all individual packaged items to reduce the need for people to open them.
2. Lower lead times to three hours or less.
 - Offset operational complexities by focusing on top selling items and simplifying your menu for operational efficiency.
3. Be everywhere online.
 - During COVID, many new people have embraced ordering food online.
 - If you don't have online ordering for takeout and catering, you must.
 - Feature your online ordering prominently on your website.
 - Update your online menus to ease the search process for your customer.
4. Train drivers to always wear face masks and to look out for contactless delivery requests/instructions.



ez cater

Appendix

Catering in COVID: Conversations with Industry Leaders

Catering in COVID: Lead Times

Join industry expert, James Clark, as he shares insights on how to adapt your menu to accommodate lower lead times and how the industry has changed since COVID.



Catering in COVID: Program Optimization

Join industry expert, Nicole Jackson, as she shares insight from the catering & national sales programs that she's grown at brands like Panera, Boston Market, and Core Life Eatery.

