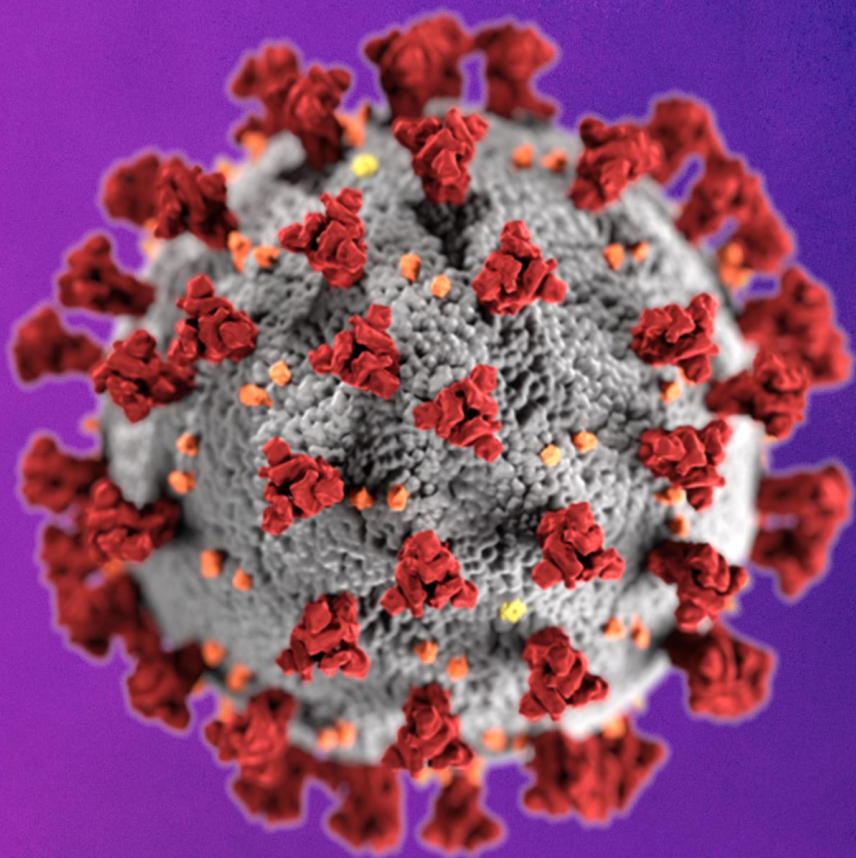


# COVID-19

report 9: COLLEGE & UNIVERSITY OPERATORS  
4.6.20








Every segment has unique hardships when it comes to managing life in a COVID-19 world, and college & university foodservice is no exception. Most schools have shut down in-person learning and kicked all students off-campus, but others are still running a bare-bones operation, which presents another set of challenges.

C&U operators face changes daily, sometimes multiple times per day. The remaining on-campus feeding has shifted from reducing seating, to removing seating, to now entirely takeout/delivery. Some schools don't even allow students in a dining hall location and instead are essentially running catering operations where fully pre-packaged and limited menu items are served to students in makeshift satellite locations across campus. Dining halls are having students scan their own meal plan cards and some are considering no longer accepting cash.

The impact for the C&U segment may be longstanding as students adjust to and then expect more campus dining services delivery and as operators realize they are able to offer more and keep students happy with fewer locations and more limited menus.

These findings are compiled based on secondary research and an operator survey fielded March 25-26 with 426 operators, including 51 college & university operators.





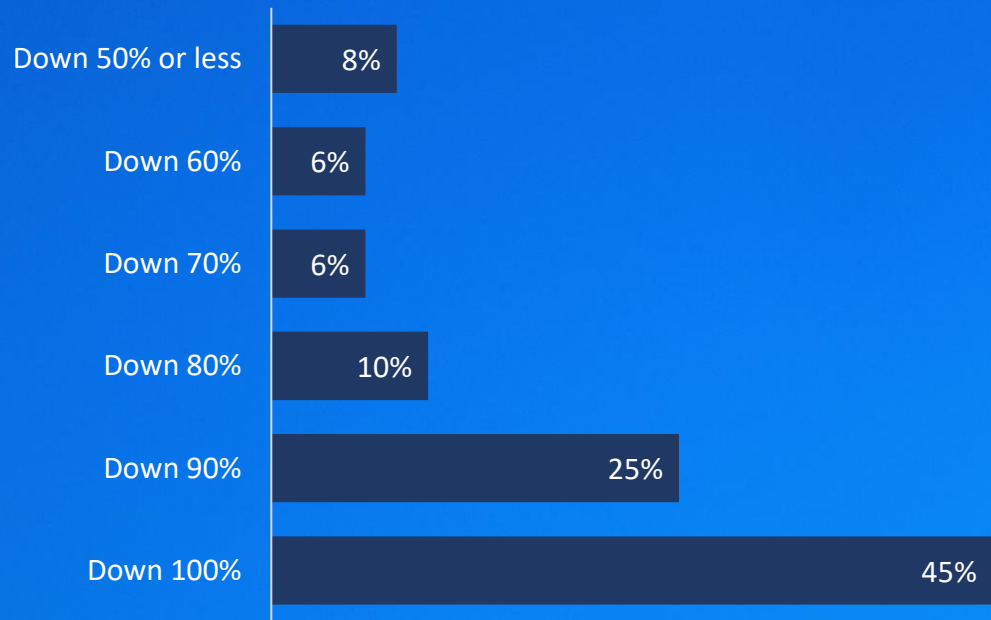
## A shift to remote learning means massive C&U closures.

Nearly every higher-education campus has pivoted to remote, digital learning and most have forced students off-campus (unless they can show hardship or have a specific reason they can't go elsewhere). And if students aren't living on-campus, they have no reason to eat on-campus. For those operators who do have some students in residence halls or have feeding for essential employees, they have overwhelmingly closed dine-in service and now offer only takeout or delivery.

	C&U operators	ALL operators
Open completely for business - in all respects, including dine-in service	2%	5%
Closed our dine-in service, but still offering takeout and / or delivery	47%	65%
Closed completely for the time being	51%	30%

# Current sales have fallen hard for C&U operators.

Sales at C&U have dropped off a cliff. Nearly half said their sales have essentially gone to zero (which makes sense since half have closed for the school year) and another quarter said they are doing just 10% of their usual volume. No C&U operators say sales have not decreased. The segment also relies heavily on meal plans and pre-payment from students, and most operators are having to issue refunds or credits for future years – even after they may have already placed supply orders, putting them in an especially difficult position.



how much has your overall business decreased or increased since the outbreak of COVID-19 / coronavirus??







## For those that area still open, C&U dining services has flipped on its head.

The still-working C&U operator in today's COVID-driven environment is running a very different operation. The segment is known for catering to foodie-focused youngsters and is often at the forefront of innovation in the industry, yet it's doing anything but that today. Many schools still have a small group of students on-campus (often less than 10% of their usual number), and everything about how they feed those students has changed. Most schools no longer have any on-site dining rooms, and all food must be taken to-go or is delivered. Self-service areas have been removed. The majority of operators are also using entirely disposable containers (since everything is being taken off-site), and reusable cup/container programs have been put on hold. Those that still allow students on-site to make selections have limits on how many can come in at one time. Others are making food in a single consolidated commissary-like location and then distributing from satellite locations where students pick up entirely pre-packaged items from a very limited menu. This means that C&U operator purchases and menus are shifting to focus on items that hold well and are portable, rather than something Instagrammable. Suppliers can help C&U operators by sharing creative menu ideas that travel and hold well — portability is a new key selection factor. These operators are also looking to streamline and reduce their menu size, which means they want to know which set of more limited items will keep overall student appeal as high as possible.



## have you laid off staff in response to COVID-19?

	C&U operators	ALL operators
No staff cuts due to coronavirus so far	25%	37%
We let go of more than 75% of our staff	53%	34%
We let go of up to 75% of our staff	10%	11%
We let go of up to 50% of our staff	4%	9%
We let go of up to 25% of our staff	8%	10%

## Huge staffing cuts dominate C&U.

More than half of C&U operators have reduced their staff by more than 75%. Many schools have closed their dining services entirely, and those that are open are doing business that is a small fraction of what they did before COVID-19. Locations are taking advantage of government labor-relief policies or rotating their workforce on administrative leave in order to keep as many as possible on payroll. What's more, many college operators employ large numbers of students, and those student work programs have disappeared. Foodservice in general is facing of complex paradox of high unemployment and staffing shortages. Workers are being laid off, but sick workers are also being told to stay home, many are facing challenges with childcare and school closures, and some simply don't want to work in crowded kitchens (especially if they live with at-risk family or have their own compromised health issues). Partially-prepped and pre-made items are likely to have higher appeal than ever before with C&U operators, both because of these labor limitations and because they tend to be items that travel well (as off-premise becomes the norm).





## Community involvement is important to C&U operators, and that isn't likely to change.

Although words like “connectedness” and “togetherness” are getting a lot of bad press recently, the truth is that many foodservice operators and restaurants are important pillars of their local communities. Colleges & universities are very large institutions and many times are the anchor of a small town or city by providing students and local spending, as well as employment. And while many schools are “too big to fail,” a tumultuous stock market and challenges with international students (who often pay full-price tuition) mean that even the biggest and most established universities are having to rethink their priorities with regard to long-term student feeding. Operators are taking this challenging time to advance partnership with the local community, and some of what they are doing now is likely to continue in a post-pandemic world. The feeling of everyone “being in this together” resonates strongly with these operators.

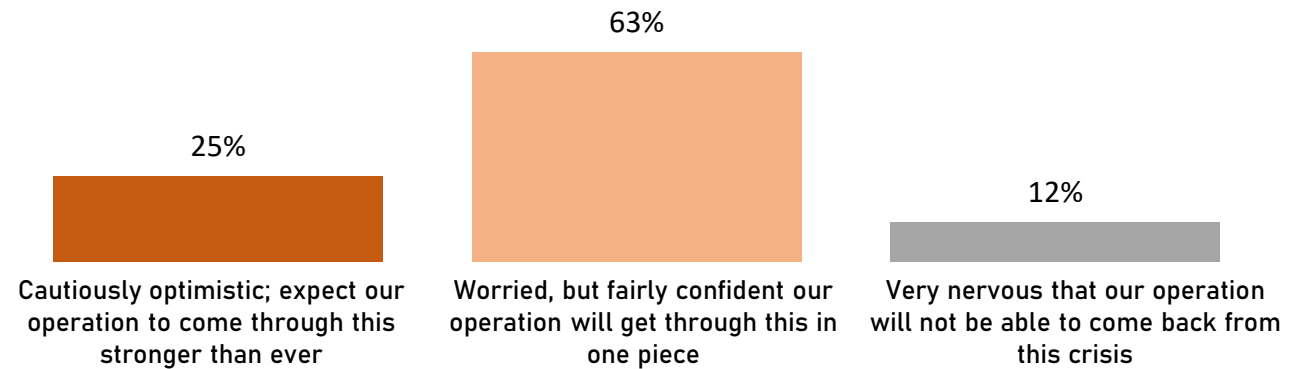




## C&U operators are worried, but hopeful.

These operators are part of much larger academic institutions, which can be a blessing and a curse. Similar to what we have seen with restaurants, where chains have been better able to pivot to off-premise and support their locations compared to independents, colleges and university operations are part of larger organizations that are primarily tasked with education rather than feeding, nutrition, or entertainment. Student feeding will weather the storm since students still need to eat, but the form that student dining takes post-pandemic is unclear and will almost certainly be different.

### C&U operators



### ALL operators

Cautiously optimistic; expect our operation to come through this stronger than ever	22%
Worried, but fairly confident our operation will get through this in one piece	65%
Very nervous that our operation will not be able to come back from this crisis	13%



## Even with fewer students, many have already stocked up — but not always with what they need.

The move to close schools and switch instruction to remote was fast, with most operators having just a day or two, or at most a week's notice. And these are not small operations. Many are serving tens of thousands of meals each day across multiple venues. One of the key implications for suppliers is that many of these operators have a significant surplus of items on-hand. Perishables are being donated to local food banks or on-campus food pantries, while pantry staples are piled high and ordering of those is likely to be very limited in the near-term. On the other hand, the distribution of offerings have changed dramatically, and C&U operators may be looking to buy for menu items that travel well (including a shift away from entirely scratch to more semi- and pre-made items). The new world of to-go and delivery means that C&U operators are likely to make purchasing changes such as away from fountain drinks and toward bottled beverages, or away from bulk condiments and toward single-serve packets.





# 80%

have **NARROWED**  
their menu  
offerings



# 96%

have **DECREASED**  
their purchasing

among C&U operators currently open

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## The future will look different.

It is yet unclear what the longer-term implications of the Coronavirus pandemic will be exactly for C&U operators, but life is likely to never be the same. It might be that schools continue to operate fewer dining locations on campus, but instead offer more delivery or to-go-only outposts. Students and foodservice customers in general are increasingly eating on the go, and it may be that these options have longstanding appeal even when life returns to “normal.” Self-service offerings like salad bars that have historically been popular with students and allow maximum customization may not come back into favor as students heavily consider how many communal touch-points they have. Condiments too may see a backlash — tabletop ketchup or coffee condiment stations may take on new meaning in a post-COVID world. The only thing we know for certain is that we are not going to see an immediate return to how things use to be — some purchasing and behaviors are going to be permanently altered.





## HOTSHOT REPORT

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