



Year In Review: Top Trends From Year 2 Of The Pandemic

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FOURSQUARE ¹

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Overview

In this report, we take a look back at how consumer behaviors shifted over the course of the 2nd year of the pandemic, what we might expect to see in the months to come, and how location will play an important role.

Foursquare analyzes consumer behavior based on foot traffic data from millions of Americans that make up our always-on panel. For the purpose of this report, all data is anonymized, aggregated and normalized against U.S. Census data to remove any age, gender and geographical bias.



As we enter year 3 of the pandemic, we are committed to keeping you informed about the changing landscape.

Our data scientists will look to answer questions like:

How is consumer movement shifting?
How are new variants and changing mandates impacting consumer behavior?

How are businesses & brands impacted by other macroeconomic events (inflation, gas price fluctuations, supply chain disruption)?

How do these trends vary by type of place, by region, by demographic and more?

Let's take a closer look at emerging themes from the 2nd year of the COVID-19 pandemic.

Key Learnings & Trends From Year 2 of the Pandemic

RETAIL

Consumers' foot traffic patterns & preferences have shifted amidst rising inflation, supply chain disruption & staffing challenges over the past year.

As a result, value has been top of mind for post-pandemic shoppers as they navigate these changes. As inflation rates continue to rise, we expect to see increased visitation to discount, outlet and off-price retailers throughout year 3 of the pandemic.

DINING

Location data reveals that more people returned to bars & restaurants (for dining in) throughout 2021.

However, not all restaurants are seeing the same recovery in foot traffic. QSRs continue to fare better than casual dining chains. We took a closer look at QSR customer retention YoY to help explain why.

TRAVEL & TRANSPORT

More Americans have returned to air travel over the past year, and especially during the holidays.

Despite upticks in airport visitation, Americans have continued to spend more time on the road in year 2 of the pandemic.

We joined forces with GasBuddy to understand how rising gas prices could impact gas station visitation as we enter year 3.

WFH

More Americans returned to their place of work in 2021.

However, patterns and preferences of in-office professionals have shifted from 2020, with many Americans still working remotely at least some days of the week.

As we hypothesized, remote professionals are actually 'out and about' even more than Americans who have returned to their offices this past year.

RETAIL

RETAIL

Consumers' foot traffic patterns & preferences are shifting amidst rising inflation, supply chain disruption & staffing challenges.

As we enter year 3 of the pandemic, we expect to see an increase in cross-shopping behavior amongst in-store shoppers, as retailers struggle with delayed shipments and keeping shelves stocked. Retailers will need to continue to focus on ways to maintain customer loyalty and retention in 2022.

With increased prices on everyday essentials, consumers are making a shift in shopping preferences in search of better deals and savings. We expect to see this value-minded behavior continue in 2022.



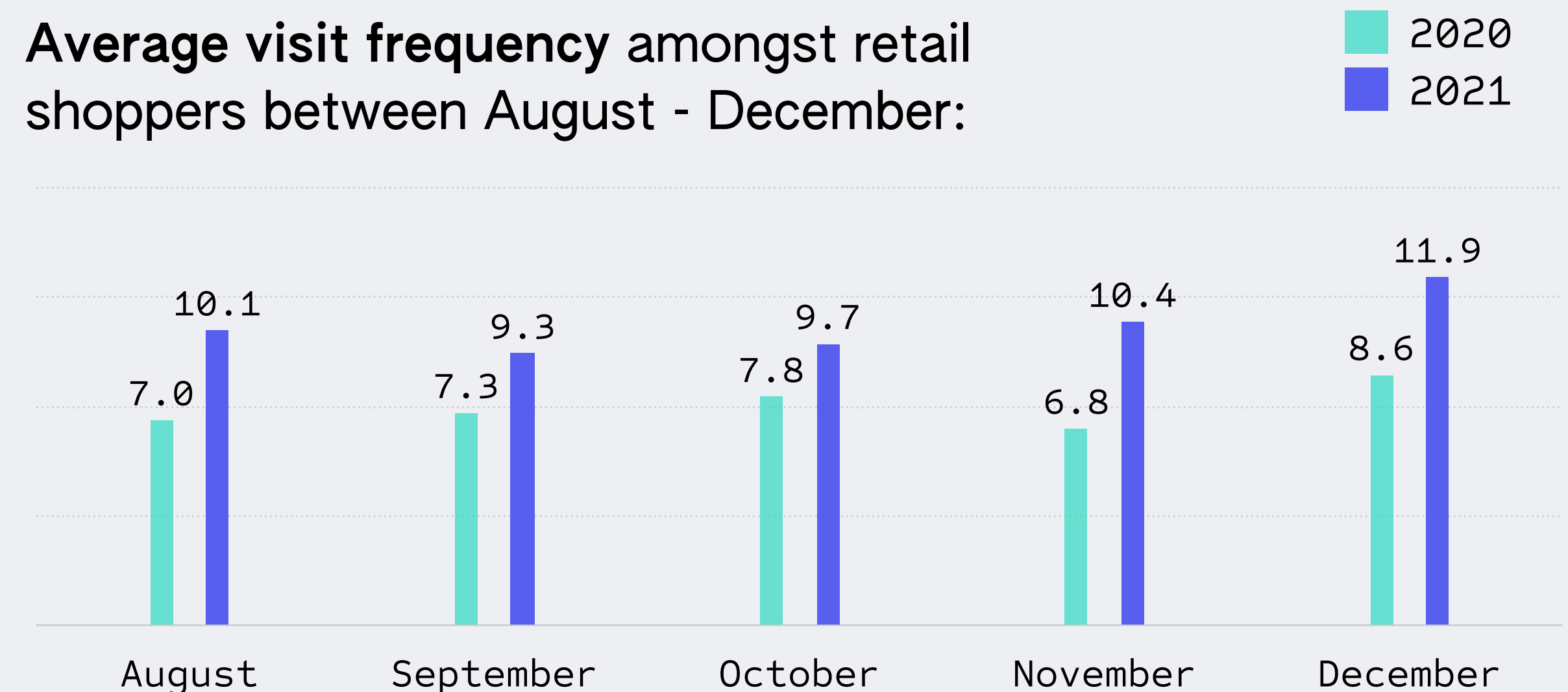
Consumers are **making more shopping trips** than usual, a pivot from the one-stop-shopping behavior we saw in 2020

We took a closer look at visit frequency amongst in-store shoppers in the second half of 2021, and found that shoppers were making significantly more trips to the store compared to the same months in 2020.

This change in behavior indicates that people were more comfortable shopping around & visiting multiple stores -- a pivot from the 'one-stop-shopping' trend that persisted throughout the first year of the pandemic. At the same time, supply chain challenges could be driving shoppers to make more trips than usual to find what they need in-stock.



Average visit frequency amongst retail shoppers between August - December:



Foursquare data August - December (2020 vs 2021); Penetration indicates % of U.S. consumers who visited a retail store at least 1X each month.

People are **cross-shopping** more than usual due to supply chain issues

We took a closer look at cross-shopping behavior within 3 major retail categories (big box, electronics, hardware/home improvement), expecting to see a change in behavior YoY.

Indeed, all 3 categories experienced a +5-7.5% increase in the average number of distinct chains visited amongst shoppers visiting chains within those respective retail categories between August - November 2021 compared to the same months in 2020.

To learn more, check out our [Retail Recovery Predictions!](#)



BIG BOX STORES

1.5 distinct chains visited in 2021

+7% increase from **1.4 chains** visited in 2020



ELECTRONICS STORES

1.37 distinct chains visited in 2021

+7.5% increase from **1.3 chains** visited in 2020



HARDWARE & HOME IMPROVEMENT STORES

1.91 distinct chains visited in 2021

+5% increase from **1.8 chains** visited in 2020

With inflation on the rise, consumers are increasingly **shopping for the real deal**

With supply chain challenges in play and inflation rates on the rise, location data verifies that consumers are increasingly seeking value while shopping for everyday essentials. As a result, discount stores, outlets, off-price retailers (i.e. ShopRite, Pick 'n Save, Dollar General and T.J. Maxx) all saw a more notable uptick in traffic around major holidays throughout 2021.

Even in more recent months, penetration for off-price retailers and discount stores nearly doubled in December 2021 compared to December 2020.

To learn more, check out the [Q2 Seasonal Strategy Guide!](#)

EASTER WEEKEND 2021

Discount stores saw a +4% uptick in traffic during Easter weekend 2021 compared to the previous 3 weekends.

MOTHER'S DAY 2021

Dollar Tree stores saw a +25% uptick in traffic during Mother's Day weekend 2021 compared to the previous 3 weekends.

MEMORIAL DAY 2021

Lift in traffic during Memorial Day weekend compared to previous 3 weekends:

Nike Factory Store +30%

Premium Outlets +6%

Pick 'n Save +15%

% of Americans who shopped at least once in:

DECEMBER 2020

11%

Off-Price Retail

22%

Discount Store

DECEMBER 2021

22%

Off-Price Retailer

43%

Discount Store

DINING

DINING & NIGHTLIFE

Location data reveals that Americans are eager to return to their favorite restaurants & nightlife activities once again. Penetration for restaurants in December 2021 had nearly doubled from December 2020, further indicating pent-up demand for dining out.

However, not all restaurants have been recovering at the same rate. Quick service restaurants (QSRs) continue to fare better than casual dining chains as we enter year 3 of the pandemic.

Looking ahead, we expect to see a greater return to normalcy for nightlife venues, accompanied by the recovery of QSR late night dining.



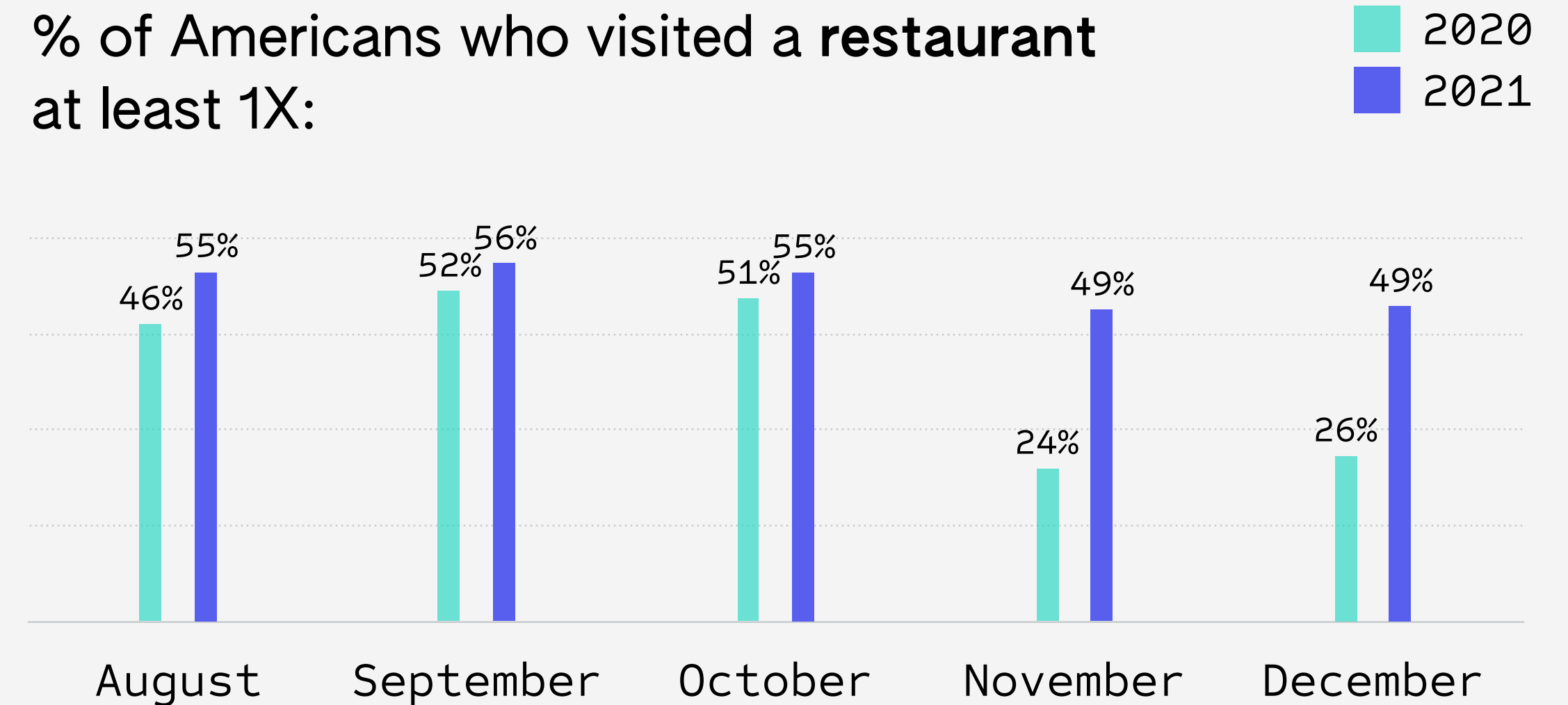
Roughly 1/2 of Americans visited a bar or restaurant late last year

Penetration for restaurants nearly doubled in December 2021 compared to December 2020.

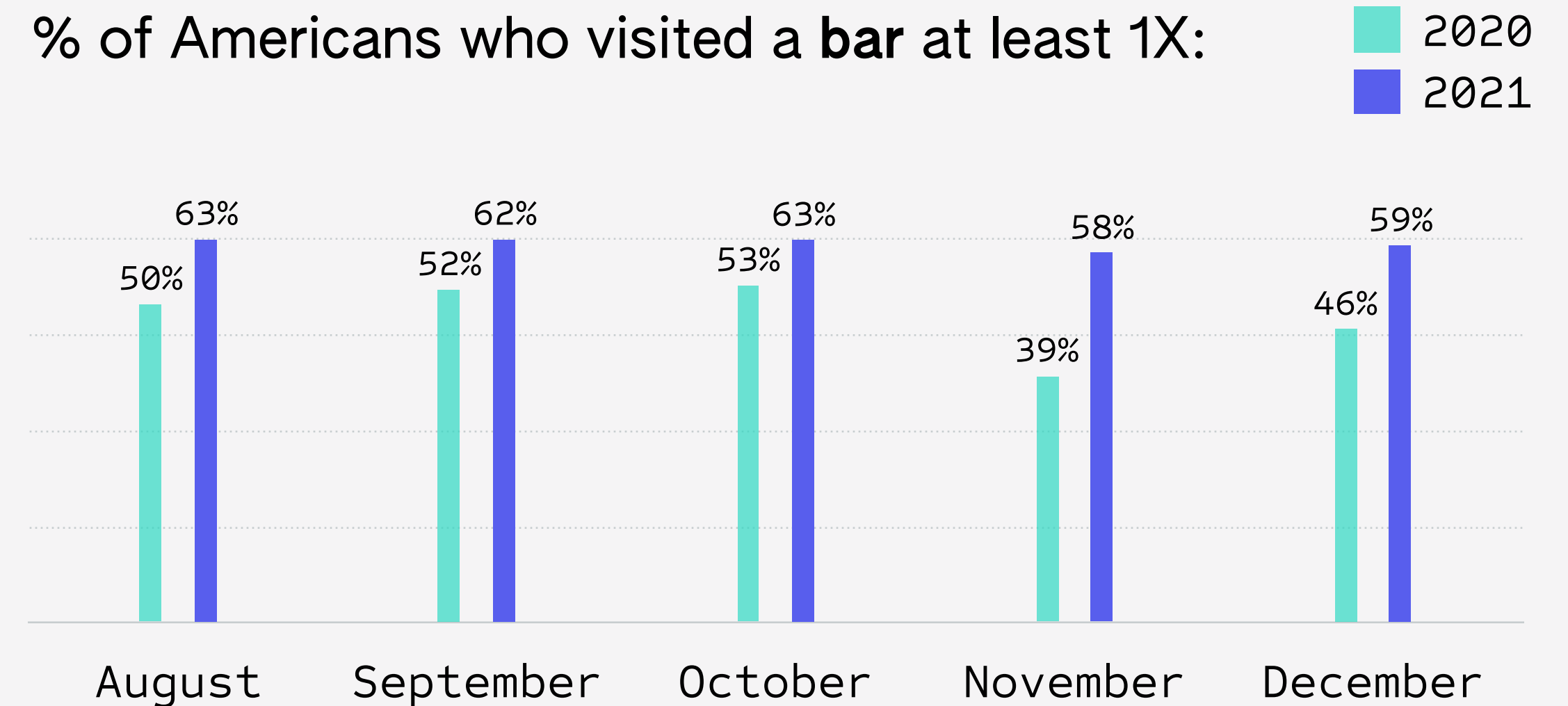
Between 58-63% of Americans (21+) visited a bar at least once between August - December 2021, up from 39-53% in the same months a year prior.

To learn more, check out the [Omicron Impact Report!](#)

% of Americans who visited a **restaurant** at least 1X:



% of Americans who visited a **bar** at least 1X:



Fast food chains continue to fare better than casual dining chains.

By the end of Q1 2021, foot traffic to fast food chains had returned to normal levels, while visits to casual dining chains were still down **-29%** compared to 'normal' visitation in February 2020.

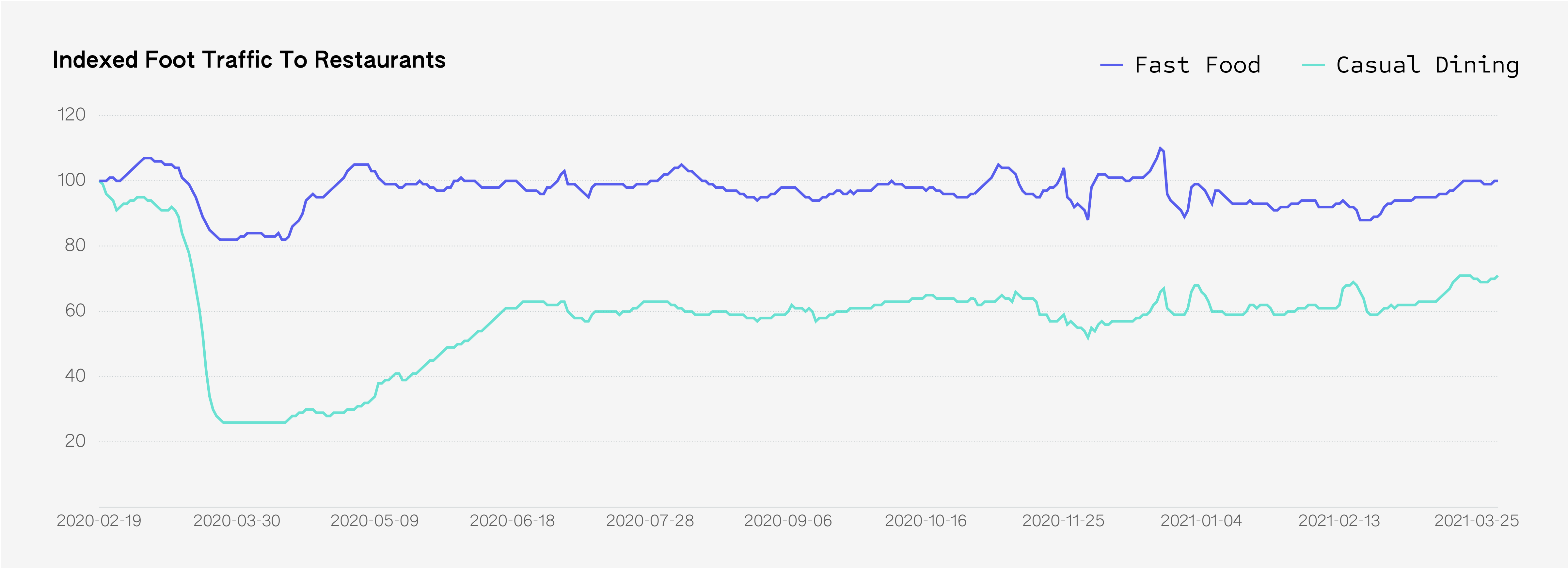


Chart illustrates indexed foot traffic to fast food & casual dining chains, where visits on February 19, 2020 is 100. We've used rolling 7 day averages to account for fluctuations by day of the week.

Here's why QSRs continue to recover more quickly than casual dining chains

Dining brands were hit by the pandemic and had to adapt quickly -- from investing in outdoor seating, to optimizing delivery options, enforcing local mask mandates, and more. Location data helped leading brands adapt.

To learn more about how QSR loyalty has evolved throughout the pandemic, check out the [QSR Customer Retention Report!](#)



QSRs continue to draw loyal customers.

Location data reveals that fast food chains are relying more heavily on returning customers (vs. new customers) post-pandemic, indicating that customer loyalty persists beyond the pandemic.



People are looking for convenient options within close proximity of their home.

Location data revealed that QSR customers were generally traveling roughly ~7 miles on average to visit fast food restaurants.



QSRs are better equipped for drive-thru and take-out options.

Our analysis revealed that QSR customers were spending less time on-premise in year 2 of the pandemic compared to 2020, likely indicating that these customers were relying more heavily on drive-thru and take-out options vs. dining in.

QSRs are adapting to maintain customer loyalty

The QSR Loyalty Index is Foursquare's ranking of the top Quick Service Restaurants in the United States based on their customers' loyalty. This loyalty index distills a complex set of behaviors and preferences into a single metric that can be compared across chains, revealing which QSRs are winning in terms of customer loyalty. For this year's index, we looked at data from July 1 2020 - June 30 2021 and is calculated using the following metrics:

Penetration

Share of Wallet

Visit Frequency

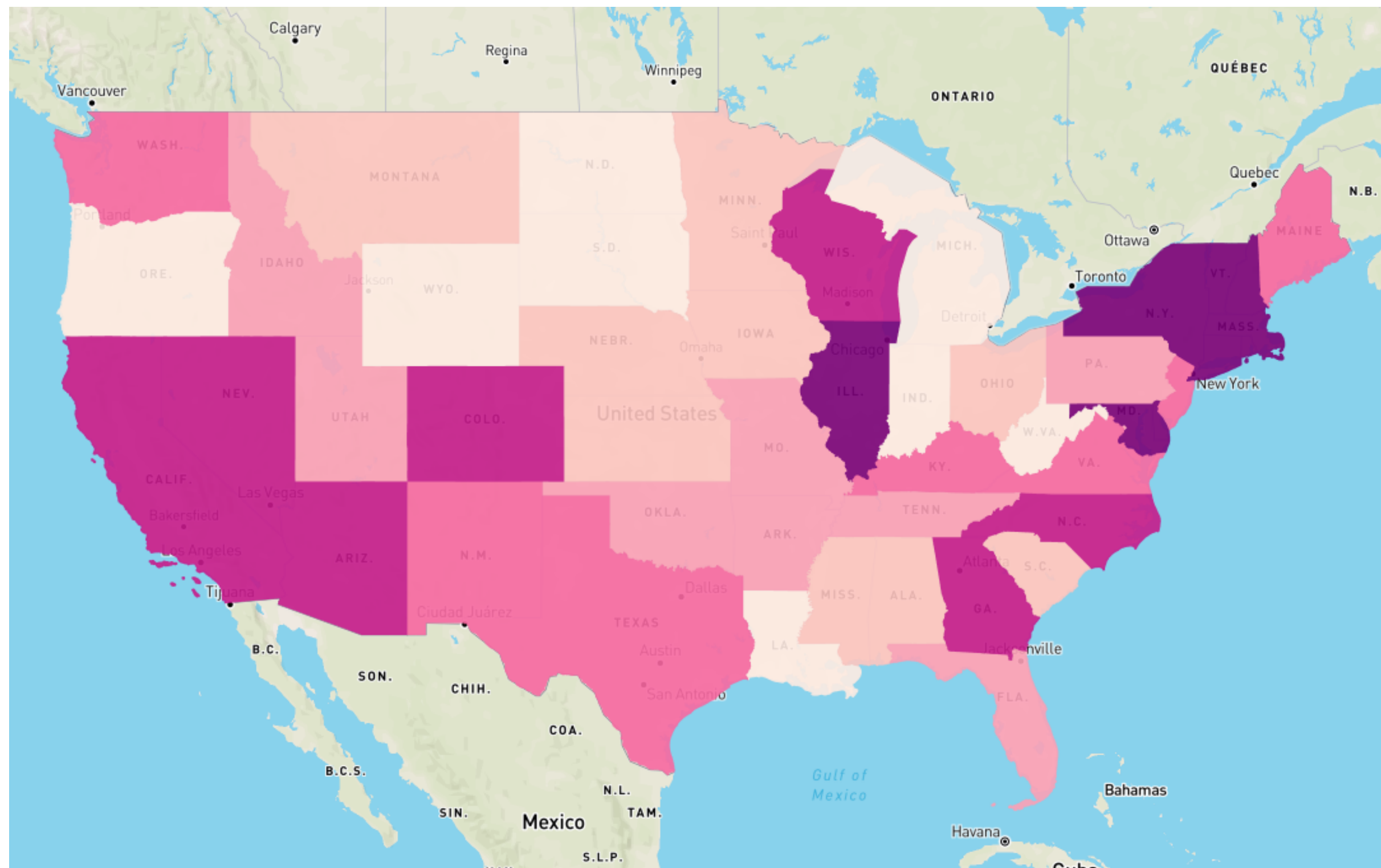
Fanaticism Threshold

To learn more, check out the latest [QSR Loyalty Index Report!](#)

Rank	Brands
1	Chick-fil-A
2	Dunkin'
3	McDonald's
4	Subway
5	Starbucks
6	Sonic Drive-In
7	Domino's Pizza
8	Whataburger
9	Pizza Hut
10	Papa John's Pizza
11	Taco Bell
12	Wendy's
13	Culver's
14	Panera Bread
15	Hardee's
16	Tim Hortons
17	Jack in the Box
18	Dairy Queen
19	Burger King
20	Bojangles'
21	Taco John's
22	Marco's Pizza
23	Chipotle Mexican Grill
24	Jimmy John's
25	In-N-Out Burger

Rank	Brands
26	Church's Chicken
27	Arby's
28	Bruegger's
29	Carl's Jr.
30	Little Caesars
31	Einstein Bros.
32	KFC
33	Del Taco
34	The Coffee Bean & Tea Leaf
35	Checkers
36	Popeyes Louisiana Kitchen
37	Auntie Anne's
38	Papa Murphy's
39	Baskin-Robbins
40	McAlister's Deli
41	Wingstop
42	Jersey Mike's Subs
43	Zaxby's
44	White Castle
45	Panda Express
46	Smoothie King
48	Jamba Juice
49	Schlotzsky's
50	Tropical Smoothie Cafe

Geospatial visualizations reveal patterns in **QSR customer loyalty by state**



AVERAGE QSR CUSTOMER LOYALTY INDEX

2.9 to 3.85	5 to 5.8
3.85 to 4.3	5.8 to 8.05
4.3 to 5	8.05 to 10.4

HOW TO READ:

Highest numbers/darker colors indicate highest average loyalty score of QSRs in the geography (including chains with $\geq 5\%$ venue share in the geography).

KEY INSIGHTS:

According to Statista*, **California** accounts for the highest number of Quick Service Restaurants (QSR), while **Wyoming** accounts for the least. However, when plotting customer loyalty by state, Foursquare data reveals that QSR loyalty is strongest in states such as Illinois, Massachusetts, New York, Vermont, Maryland. This is perhaps due in part to regional affinities. For example, Dunkin' ranked #2 in QSR loyalty and is primarily concentrated in the Northeast.

The holiday present a big opportunity for casual dining chains: Fewer people were eating fast food during the holidays as compared to the rest of the year



While casual dining chains saw a +9% lift in traffic on December 22 compared to the average day last year, fast food chains actually saw a -2% decline in visits on this day. Even on casual dining restaurants' busiest day of the season (Dec 23), foot traffic to QSRs was at the same level as traffic on the average day in 2021.

To learn more, check out the [Holiday 2021 Dining & Grocery Recap!](#)

Foursquare data reveals a lift or decline in restaurant traffic compared to the average day in 2021:

	CASUAL DINING	FAST FOOD
December 23	+12%	0%
December 24	+8%	-4%
December 22	+9%	-2%
December 21	+6%	-3%
December 20	+4%	-3%

Let's take a closer look at how a leading QSR chain capitalized on these learnings.

How Wendy's & Empower Media Marketing are adapting with location data

BACKGROUND:

As Wendy's Digital Media Agency, one of Empower Media Marketing's roles is to manage a measurement framework, ensuring Wendy's can glean insights out of their local campaigns to inform the planning and execution of local digital activity. Tracking against KPIs including incremental store visitation, Empower made it a point to use location data throughout COVID-19, leveraging Foursquare data and insights across everything from media planning and optimization to quarterly business reports.

CHALLENGE:

During the peak of the pandemic, Wendy's needed to monitor shifting safety guidelines, industry trends, and consumer behavior to make difficult business decisions. They ultimately limited access to their restaurants to drive-thru only with expanded delivery service. With the need to alert consumers that restaurants were still open, but in a limited fashion, Wendy's shifted their media campaigns to educate consumers about the changes while promoting the dining methods still available.

>> To learn more, check out an exclusive [Q&A](#) with Empower Media Marketing!





THE ROLE OF FSQ LOCATION DATA:

To help navigate the ever-changing landscape, Empower turned to Foursquare to track industry and consumer trends, and tailor their marketing approach through applications including:

- Regular review of [FSQ's Recovery Index](#) to monitor QSR visitation trends in key states
- Integration of FSQ data & insights within Wendy's quarterly business reviews analyzing the impact on foot traffic to fast food restaurants
- Implementation of FSQ pixels measuring foot traffic to quantify impact of ad exposure on store visitation, dictate campaign optimizations, and plan for efficiencies in future campaigns

RESULTS:

- FSQ data allowed Empower to monitor which creative messages were most effective at driving behavioral lift by channel and partner, delivering actionable campaign learnings such as the ideal platform/creative pairings and the impact of message frequency.
- With these insights, Empower was able to optimize budgets and broaden their target audience for each core campaign message, maximizing the efficiency and effectiveness of the campaign.

“[Working with location data during the pandemic helped reframe] our **measurement approach to lead with the core creative message.** This guides our Research, Investment, Planning and Account teams in **understanding which messaging resonates with customers and are likely to drive visits to a Wendy's location.** This has been especially helpful during the pandemic, as **results have helped guide decisions on the types of messages that lead to behavioral lift.**”

Patrizia Vassallo, Research Director
Michael Langone, Associate Director of Digital
Empower Media Marketing

TRAVEL & TRANSPORT

TRAVEL & TRANSPORT

More Americans have returned to air travel over the past year, and especially during the holidays.

Despite upticks in airport visitation, Americans have continued to spend more time on the road throughout the 2nd year of the pandemic.

With gas prices on the rise in more recent months, we expect to see a shift in consumer transportation preferences (perhaps resulting in more electric vehicles on the road in 2022).



More Americans are traveling by plane again, especially during the holidays

U.S. Airports have seen significantly more travelers in recent months compared to 2020.

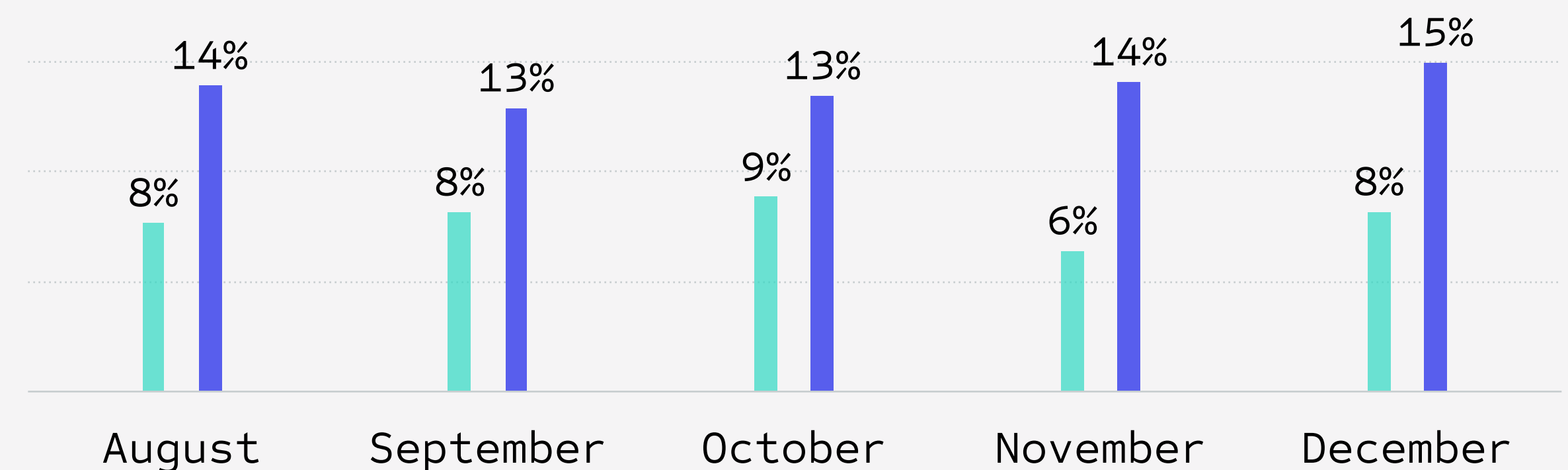
Airports have seen a gradual rise in the volume of visitors passing through in late 2021 — in many case airport penetration has doubled from the same months in 2020.

Airport traffic was up +17% on Dec 22 2021 compared to the average day last year. According to TSA*, U.S. airports saw roughly 2M travelers that day (up from roughly 1.2M on the same day in 2020, and even slightly up from pre-pandemic levels — 1.9M on December 22 2019).



% of Americans who visited an **airport** at least 1X:

2020
2021



The Great American Road Trip

As the pandemic unfolded, many Americans avoided air travel and public transit altogether, resulting in more time spent on the road. This change in behavior gave way to the rise of America's favorite (and perhaps forgotten) pastime: The Great American Road Trip.

Last year, [we conducted an analysis](#) to assess behavioral patterns of road trippers across the country. We uncovered nuances in consumer movement and patterns, including variation by regions and consumers' financial motivations (we took a closer look at cost-conscious consumers).

More recently, we researched correlations between gas prices & gas station visitation during 3 major holidays in 2021.











How does the price of gas impact consumer behavior, if at all?

We combined our location data with gas price data to help answer this question.

We took a closer look at indexed foot traffic to gas stations from early May 2021 throughout the end of the year, paying close attention to upticks & declines in traffic on 3 major holidays. We paired this data with average gas prices by region & by state (lowest and highest) during the same holidays to uncover correlations between these two data sets.

As we hypothesized, we found that prices are generally highest where demand is highest, and higher gas prices don't necessarily deter consumers from traveling by car.

REGION	Memorial Day MAY 31 2021	Labor Day SEPT 9 2021	Thanksgiving NOV 25 2021
WEST	\$3.36 -4% from 5/1	 \$3.71 -1% from 5/1	 \$3.76 -4% from 5/1
NORTHEAST	\$3.00 -5% from 5/1	 \$3.15 -2% from 5/1	 \$3.46 +1% from 5/1
MIDWEST	\$2.93 -2% from 5/1	 \$3.06 -2% from 5/1	 \$3.20 -8% from 5/1
SOUTH	\$2.84 -5% from 5/1	 \$2.95 -14% from 5/1	 \$3.22 -11% from 5/1

Gas stations saw the biggest uptick in visits around **Thanksgiving**, and mainly in the **Northeast** & **West**

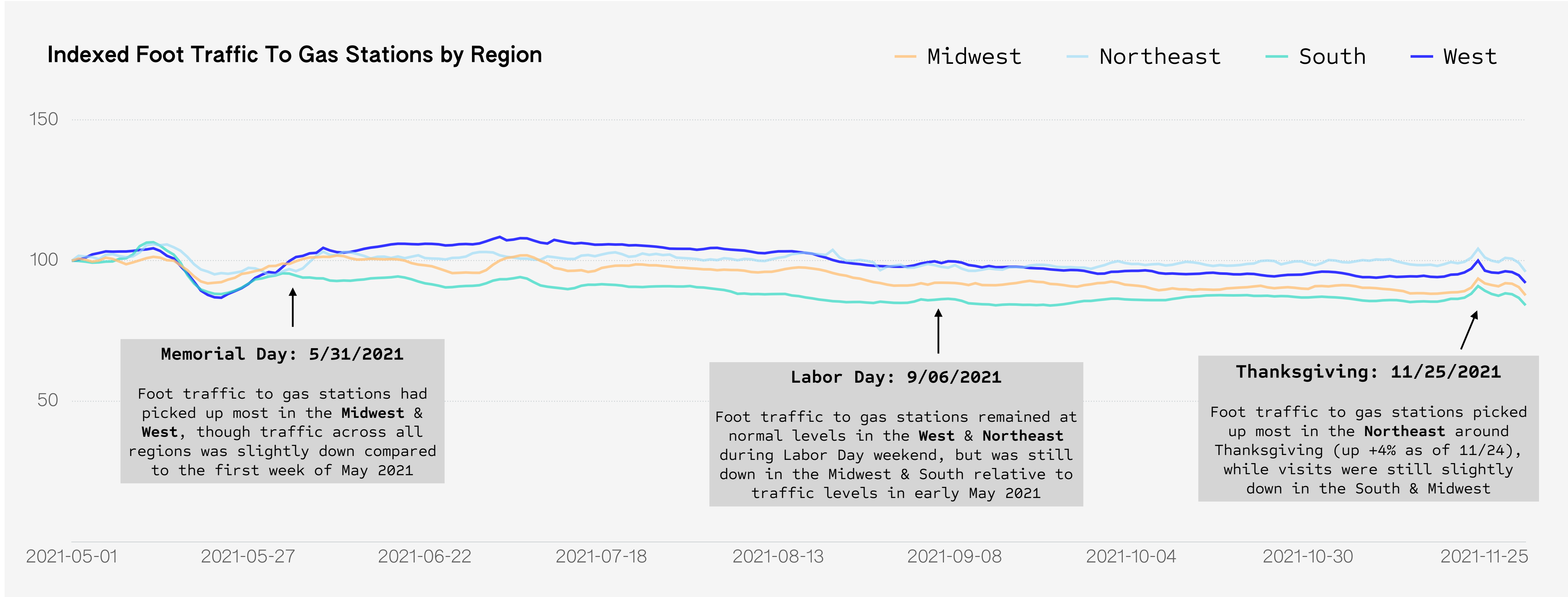


Chart illustrates indexed foot traffic to gas stations by region, where visits on May 1, 2021 is 100. We've used rolling 7 day averages to account for fluctuations by day of the week.

Here's what we found:

1 There's generally a positive correlation between demand for gas (foot traffic) & gas prices.

Our data reveals that states with the highest average gas prices were generally the same states that saw the most notable upticks in gas station visitation in 2021.

For instance, traffic to gas stations in **Washington** was up **+14%** on **Labor Day**. Washington also ranked 5th amongst states with the highest gas prices (\$3.82/gallon).

Wyoming (with the 10th highest average gas price) saw the most notable uptick in traffic on **Labor Day** – up **+19%** compared to traffic levels in early May.

2 States with relatively lower gas prices (i.e. in the South & Midwest) generally saw the biggest declines in traffic as gas prices picked up.

Despite having some of the lowest gas prices (per gallon) in the country, gas stations in Kansas, Mississippi, South Carolina & Tennessee all saw a decline in traffic on all 3 holidays last year relative to traffic in early May.

Interestingly, this decline generally became more apparent as gas prices picked up between May - November.

Average gas price & foot traffic levels relative to May 1 2021 for gas stations in Mississippi:

May: Memorial Day (\$2.69*) **-15%**

September: Labor Day (\$2.78*) **-22%**

November: Thanksgiving (\$3.03) **-27%**

What does this mean for the future of gas consumption in the United State?

Now more than ever, we look to location data to help predict trends in consumer movement & help answer questions such as:

Will electric vehicles start to eat into gas stations business?

How will the conflict in Ukraine influence gas stations abroad?

Location data allows you to keep your finger on the pulse of consumer behavior amidst these types of macroeconomic trends.



RETURN TO OFFICE

RETURN TO OFFICE

More Americans returned to their place of work in 2021. However, patterns and preferences of in-office professionals have shifted from what we saw in 2020, with many Americans still working for home at least some (if not all) days of the week.

As we hypothesized, location data verifies that remote professionals are actually ‘out and about’ even more than Americans who have returned to their offices this past year.

With COVID cases declining and vaccination rates rising, we expect to see a greater return to office in 2022, though likely not the full return to pre-pandemic ‘normalcy’.



More Americans are returning to offices

While 67% of Americans reported in survey data that they had returned to their office as of October 2021, location data revealed that only 23% of Americans had actually visited an office at least 1X between May through October 2021, indicating that people may be overstating their office presence.

This discrepancy highlights the importance of utilizing observed behavioral data in addition to (or instead of) reported behavioral data.

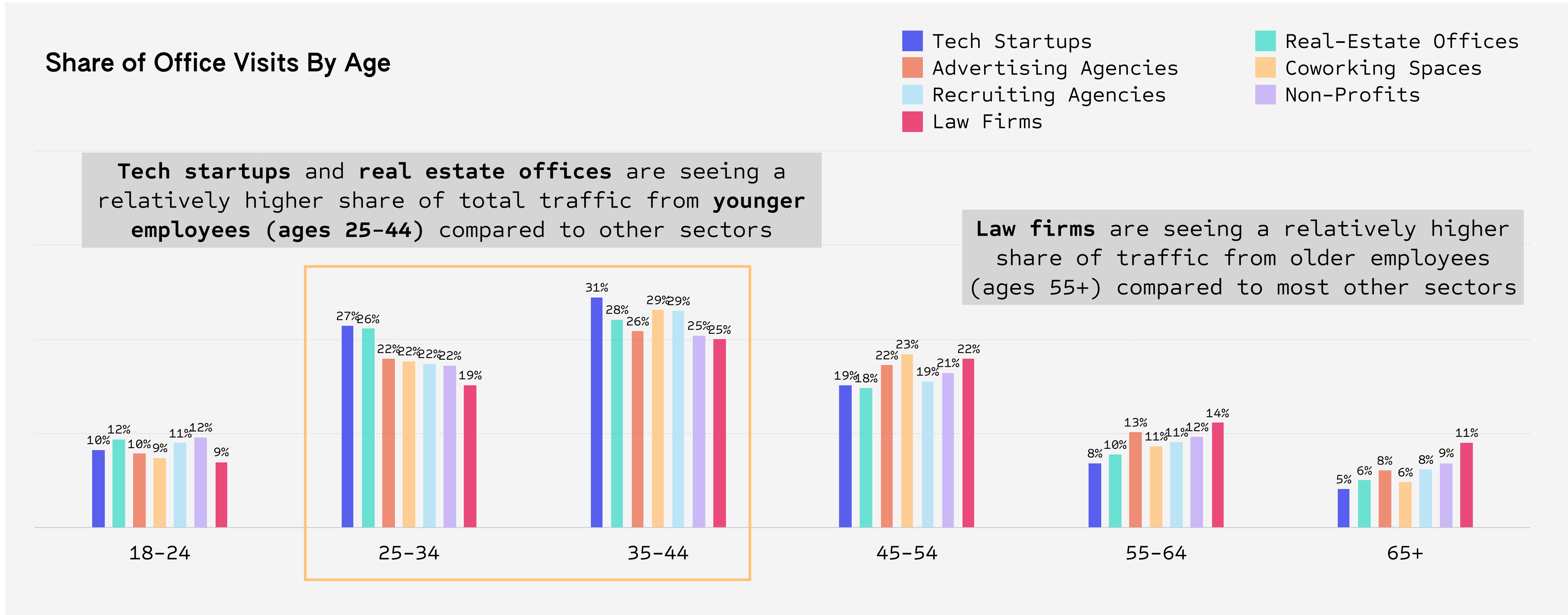
To learn more, check out the full [Return To Office Report!](#)



Foursquare data reveals that roughly **23%** of Americans visited an office at least once between May - October 2021.

30% of Americans visited office at least once in December 2021 (up from 22% in December 2020).

Location data reveals which sectors have seen the greatest office foot traffic recovery amongst younger professionals



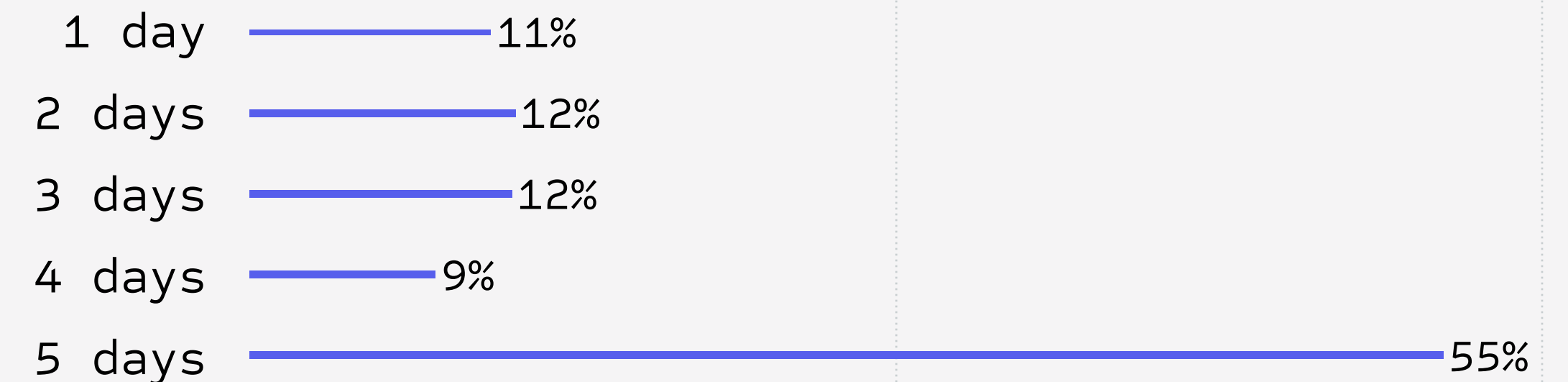
Many Americans have adapted a hybrid work routines

Not all in-office workers are commuting to the office 5 days per week. In fact, offices are seeing a higher share of traffic **Tuesday through Thursday**, and less traffic on Monday and Friday, perhaps indicating that in-office professionals may be working on a hybrid schedule, and more likely to work remotely on Mondays and Fridays.

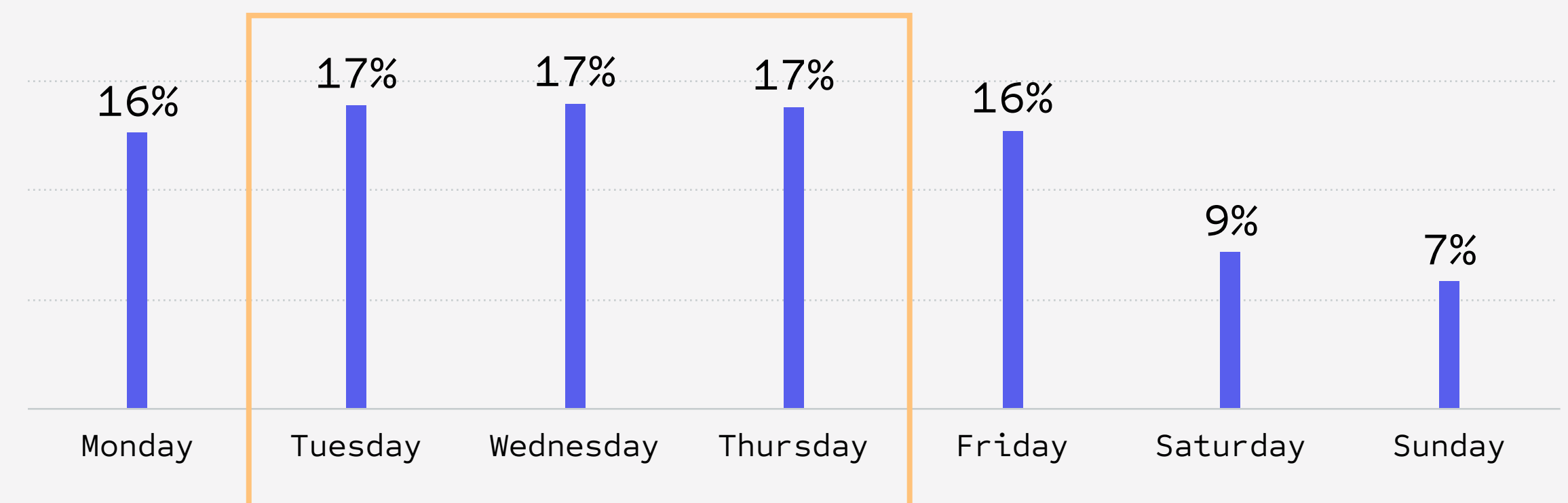
Offices are seeing some traffic on **weekends**, perhaps coming from real estate offices where people frequently work weekends.

45%

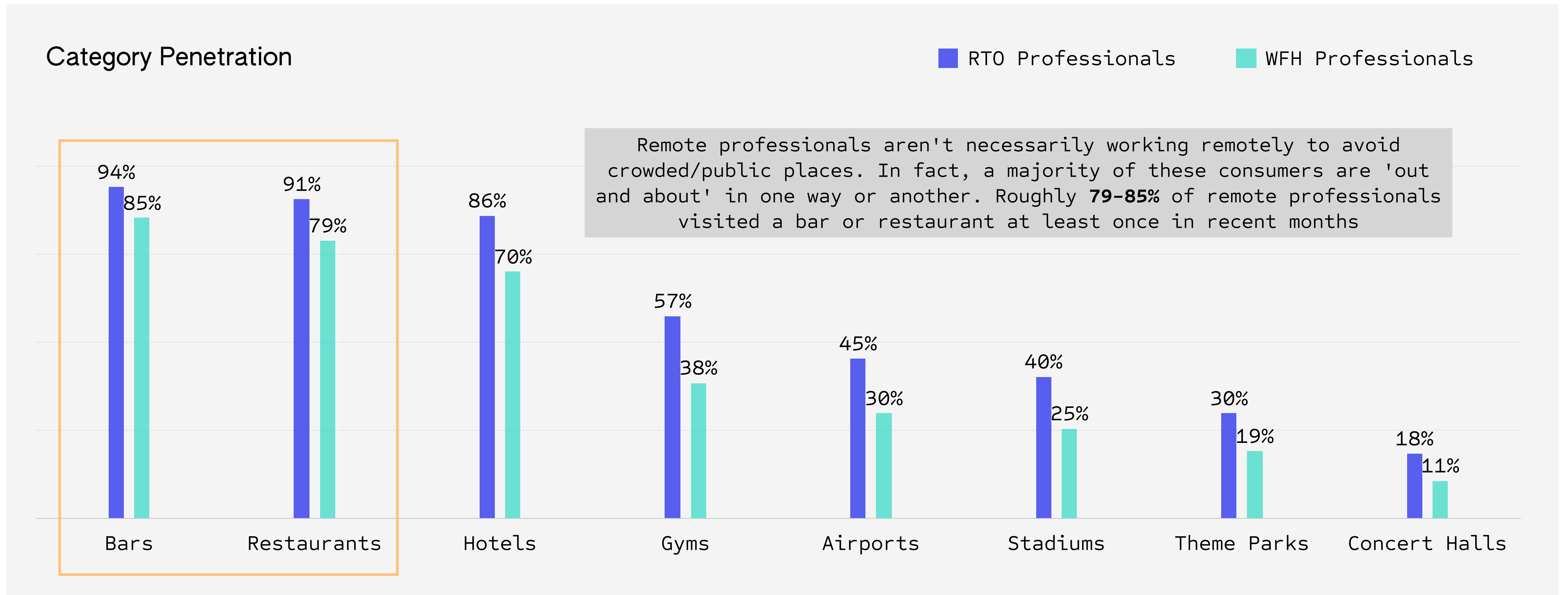
of survey respondents are reportedly* visiting (or intend to visit) their office between 1-4 days per week.



Share of Office Visits By Day of Week



Did you know? Remote professionals are 'out and about' even more than people who have returned to offices this past year



What can we take away from these learnings
as we enter year 3 of the pandemic?

Key Takeaways

1

Consumers Are Still Consuming.

Location data shows that people are eager to re-engage in the physical world, even as habits are shifting

2

Localization Is More Important Than Ever.

With behaviors varying by region, state, and DMA, strategies tailored by geography are critical to success

3

Aligning With Consumers' Mindset Is Key.

Delivering the right message in the right moment ensures relevance in today's rapidly changing landscape

Executive Summary

Throughout the COVID recovery era, location data will be a core ingredient for driving actionable business intelligence and building sustainable consumer loyalty. Failing to implement a location-based strategy will mean getting left behind. By harnessing location data, businesses across travel and hospitality, dining, retail, and other consumer-facing sectors can provide richer experiences for consumers, convert foot traffic data into critical insight, and scale intelligently.

At Foursquare, we will continue to analyze changes in foot traffic patterns and forecast behavioral trends. Looking ahead to year 3 of the pandemic, we expect to see more Americans return to office, but the work week as we know it will continue to evolve. Retailers can expect to see continual shifts in shopper behavior as supply chain and inflation persists, and must continue to focus on ways to improve customer loyalty and retention. Businesses that adapt to consumers' changing preferences — facilitating behaviors like takeout, delivery, and BOPIS, and driving strategic decisions with high quality data — will be best positioned to succeed.

Stay tuned for updates on our [blog](#)!



Plan, Reach & Measure



ANALYZE & PLAN

Model & Forecast

Identify and predict trends based on foot traffic in different regions, cities, and neighborhoods.

Leverage Insights

Uncover how your foot traffic compares to key competitors, or unlock custom analyses specific to your business

Data Enrichment

Enrich your CRM database with information about the places your customers are going

Select Sites

Determine where to place new locations or develop properties based on analysis of different commercial districts.



REACH

Segment audiences

Identify people who visited your locations or competitors' before COVID-19, capturing pent-up demand.

Reach customers where they are

Use proximity targeting to deliver messaging in real-time, whether they're at home or out in the physical world rebuilding muscle memory of consumption.

Power search results

Leverage FSQ Places to surface relevant places for your users, whether they're looking for lunch near the office or delivery to their home.

Activate

Incorporate FSQ Visits into your own data to create custom targeting segments and activate them in your DSP or social network of choice.



MEASURE

Quantify ads' impact on store visits

Focus on conversation rate and cost per store visit rather than lift, since every customer post-pandemic is a new customer .

Derive rich consumer insights

Understand who is visiting your locations, and build new customer profiles based on other places they go.

Improve ROAs

Analyze and optimize campaign performance with actionable reporting.

Gauge effectiveness

Leverage FSQ visits as a conversion metric to gauge the effectiveness of your entire marketing and strategy plan to drive people to a store.

Thank You

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