

UAE Restaurants

ANNUAL

SENTIMENT REPORT

2022

PROSPECTUS



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1. Introduction

The restaurant industry in the UAE has experienced significant growth due to various factors such as a growing population, increased tourism, and a rising standard of living. The country is popular for its diverse cuisine, and the variety of dining options available has attracted a significant number of both domestic and international tourists. One reason for the growth of the F&B sector in the UAE is the number of initiatives, such as the Dubai Food Festival, which aims to promote the local food industry and encourage investment.

The government has also introduced several other measures to support the industry's growth, including tax exemptions and relaxed regulations, which have made it easier for new businesses to enter the market. As a result of these factors, the restaurant industry in the UAE continues to grow and is expected to grow and achieve a CAGR of 9% + during 2021-2026.

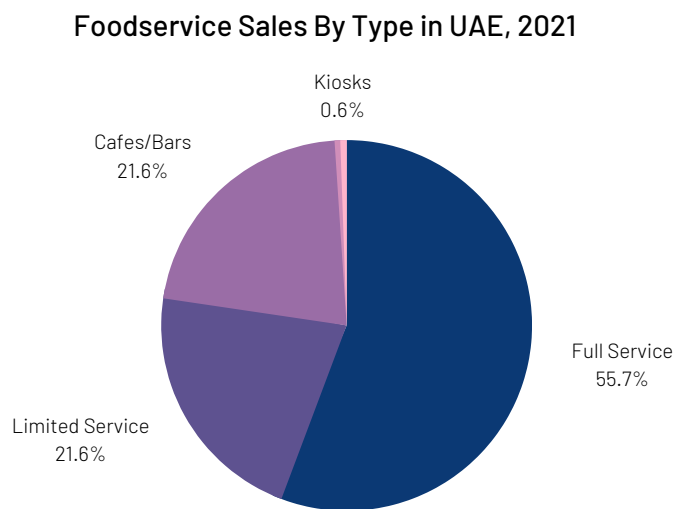


Figure 1 - Source: Mordor Intelligence

1.1 Why is this report important?

Every business works to provide a remarkable customer experience. These days, customers' purchasing decisions depend on various resources including social networks, blogs, and online feedback forums. Therefore, ensuring a good customer experience is now everyone's responsibility and customer touchpoints continue to multiply. This report looks into the Restaurant industry of the UAE and provides useful insights.

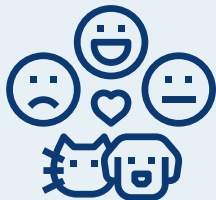
Some of the **KEY QUESTIONS** that will be answered in this report include:

1. What is most important to customers visiting Restaurants in UAE?
2. How is the Restaurant industry performing across CX indicators?
3. Who are the leaders in the industry according to the customers?
4. What does the sentiment demographics landscape look like?
5. What are the next steps for the Restaurant Industry?

1.2 Summary of Key Performance Indicators

Key performance indicators (KPIs) are a vital navigation instrument used by managers to understand whether their business is on a successful voyage or it is veering off the prosperous path. For many years managers struggle to understand and identify crucial management metrics for CX.

Many rely heavily on CSAT, or NPS, which are rating-based measures that do not tell the 'why of things and could be culturally perceived too. In this report, we focus on an understanding mix of traditional (NPS, CSAT) and modern indicators (Sentiment, Relevance/Importance).



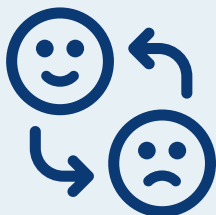
Net Promoter Score (NPS)

NPS is a widely used market research metric that is asking respondents to rate the likelihood that they would recommend a company, product, or service.



Customer Satisfaction (CSAT)

CSAT is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation.



Sentiment Score (HCS)

Sentiment score help understands people's emotions which are essential for businesses since customers can express their thoughts more openly than ever before.



Relevance Score (HIS)

Indicates the importance or relevance of this particular attribute or topic to the analysis. This score can assist in understanding what aspects are most important for customers on attribute and topic levels.

1.3 Feedback Demographics

Although there are many different things that companies are doing to deliver an outstanding customer experience, it's often unclear for brands and organizations if they are going in the right direction with the right amount of focus on the right initiatives. Data in this report has been collected from 100+ restaurants across the UAE with the below feedback demographics.

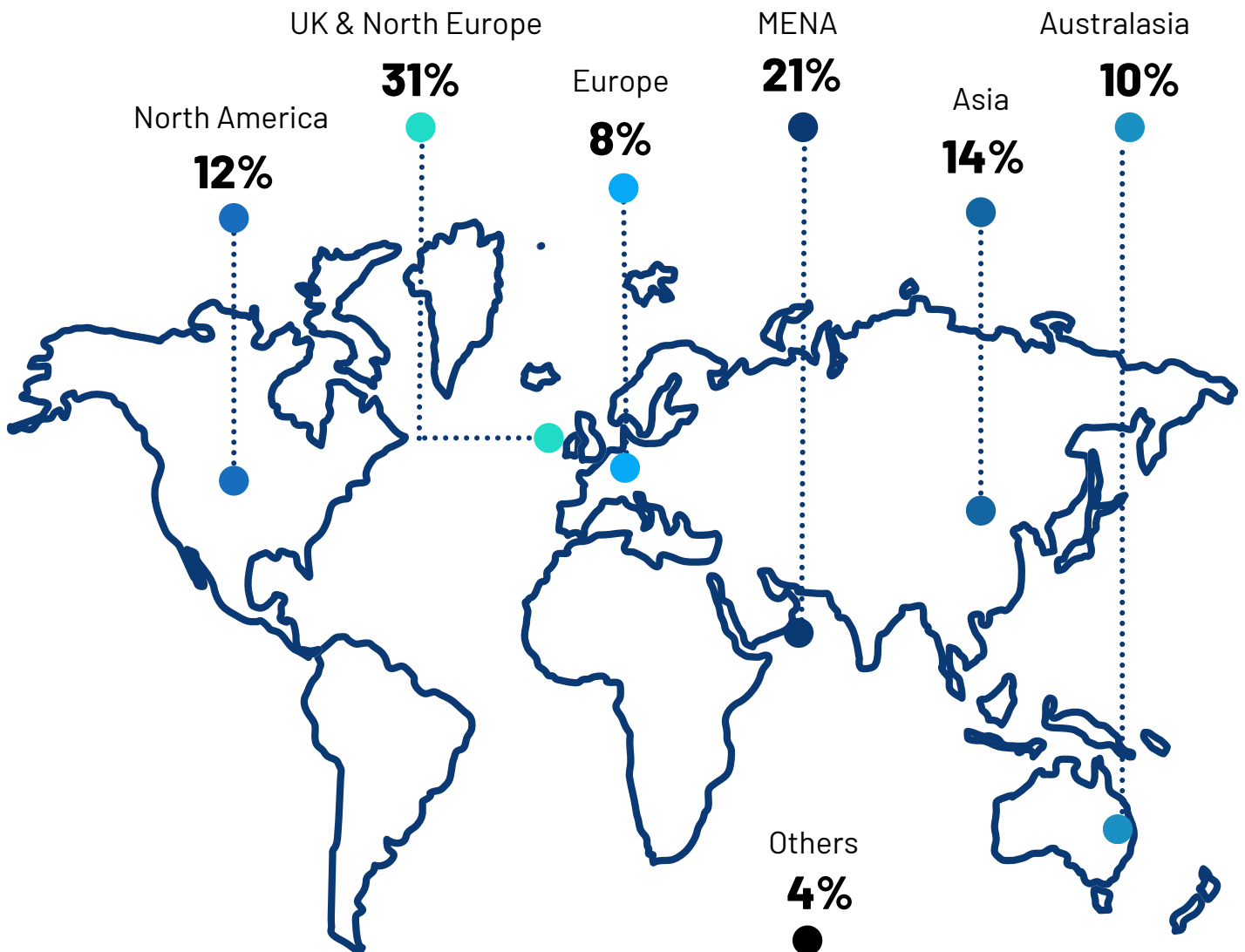


Figure 2 - Feedback Demographics Distribution

"It's our job every day to make every important aspect of the CX a little bit better" - Jeff Bezos

1.5 What did we look at?

We delved deep into the metrics to uncover valuable insights and measure the key performance indicators that matter most. With precision and attention to detail, we captured the essence and distilled it into meaningful measurements that help illuminate the path to success. The result? A comprehensive and insightful analysis that puts the power of data in your hands.

In this report, we:

- Find A Recipe for Success
- Bite into Customer Reviews
- Dig into Diner Experience
- Find The Truth Behind the Plate
- Eat into Customer Perception
- Analyzed the following topics...



 Only available in the full report.

1.5 How to use this report for business impact?

If you are planning to launch a restaurant in the UAE and are wondering who your competitors are, what would be the perfect location, cuisine, or theme for your restaurant, or if you want to establish yourself as one of the industry leaders, the full version of this report would help you to do so, by helping you ask the right questions and set the right goals.

2. Measuring Performance

According to a report by KPMG, the UAE's food and beverage industry experienced a significant decline in revenue in 2020 due to the pandemic, with many restaurants and cafes facing financial difficulties and some even closing down. However, the report also noted that the industry showed signs of resilience and adaptation, with many businesses shifting their focus to delivery and takeout services to meet the changing needs of consumers.

Data Quality

To provide the most realistic outlook we have developed a ranking index that considered the quality of feedback data. This way we ensure that we eliminated potential fake feedback and low-quality data points that only focus on ratings, which are not in our opinion representative of performance.

To ensure we compare apples to apples we also classified restaurants into various different demographics that we will explore further, i.g. price range:

- \$ = Inexpensive, usually \$50 and under
- \$\$ = Moderately expensive, usually between \$50 - \$100
- \$\$\$ = Expensive, usually between \$100 - \$150
- \$\$\$\$ = Very Expensive, usually \$150 and up

How do we measure performance?

Topic performance is assessed from the consolidation of a large number of attributes. For example, the topic FOOD would have attributes such as burger, pizza, sandwich, lunch, ice cream, fruit, etc. for a more holistic overview.

As described in the summary of KPIs section of this report we measured four different indicators. Let's see scales and how they are measured:

- NPS = Promoters (4,5) % - Detractors (1,2) %
- CSAT = From 1 (Extremely Dissatisfied) to 5 (Extremely Satisfied)
- Sentiment = From -5 (Very Negative) to 5 (Very Positive)
- Importance = From 0 (Not at all important) to 5 (Very Important)



2.1 UAE Restaurants Market Snapshot

Further in this report, we will provide a snapshot of KPIs for the market in UAE along with topics that were created from analysis of various attributes.

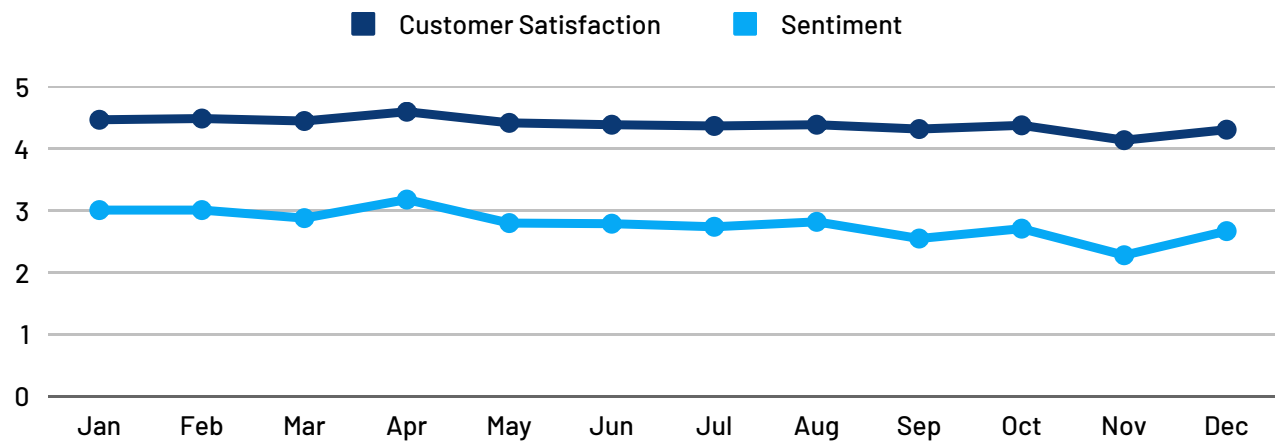


Figure 3 - Waterparks vs Theme Parks Sentiment Performance, 2022

Restaurants across UAE saw the on-par performance in comparison to 2021 consumer sentiment increase by just 0.1%. Looking at cuisine type, Latin American, Italian, and Indian saw an increase of 12%, 11%, and 5% respectively. On the downside, the largest decrease in sentiment was noticed in International Cuisine followed by Japanese with a decline of 5% and 2.9%.

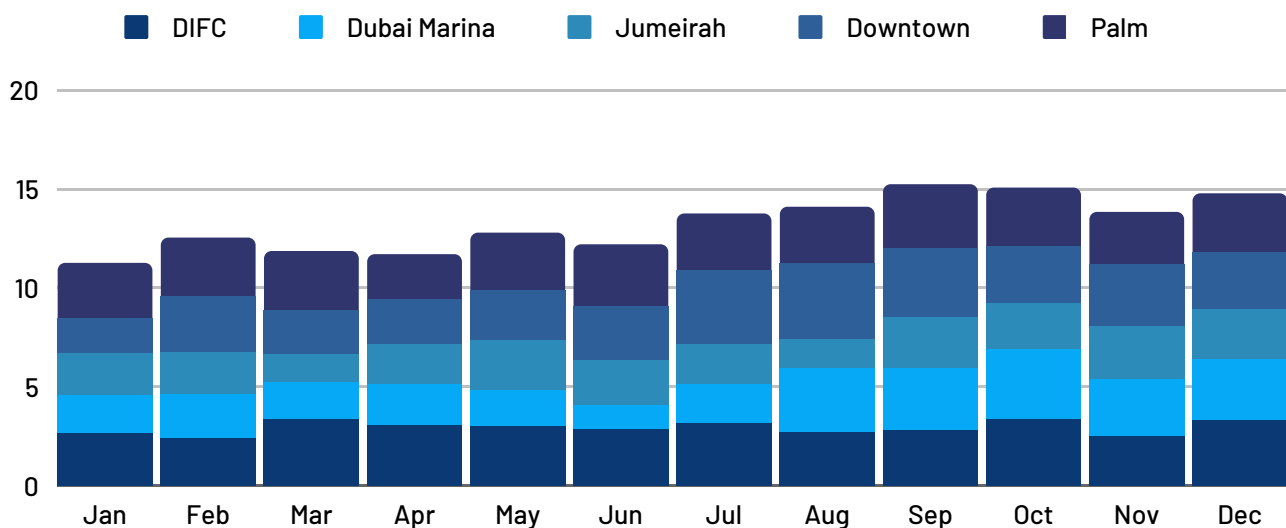


Figure 4 - Dubai Restaurant Sentiment Performance by Area,



Figure 5 - Restaurant leaders quadrant for high end segment

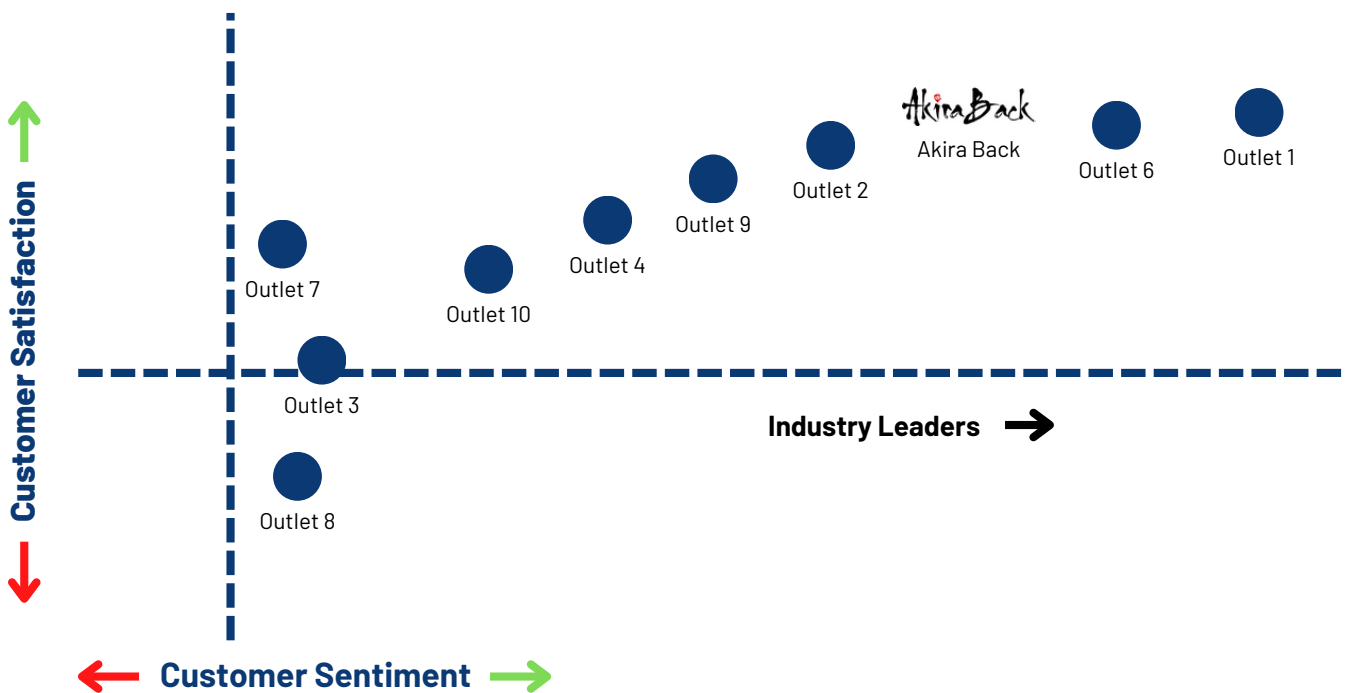


Figure. 5 illustrates the CX quadrant featuring the top ten restaurants from the high-end segment varying in CSAT and sentiment.

Demographics Analysis

The following data table represents the sentiment scores for restaurant reviews across different subregions, categorized into four price range categories:

- Inexpensive
- Moderately Expensive
- Expensive
- Very Expensive

The sentiment scores range from -5 (negative sentiment) to +5 (positive sentiment). The table consists of 13 subregions and their respective values for restaurant sentiment scores in each of the four price range categories.

Table 1 – Customer Feedback Subregion and Price Ranges Sentiment Scores

SubRegion	Inexpensive	Moderately Expensive	Very Expensive	Expensive
Northern Africa	4.50	-	2.83	3.25
Eastern Asia	3.96	3.38	2.90	2.97
Southern Asia	4.50	-2.14	3.35	4.16
Latin America and the Caribbean	4.39	4.50	2.51	3.92
Northern America	3.83	3.26	2.91	2.42
Australia and New Zealand	3.73	3.00	2.80	2.71
Southern Europe	4.16	2.73	2.91	2.87
Northern Europe	3.75	2.97	2.82	2.53
Western Europe	2.88	3.11	2.72	1.89
Western Asia	3.52	1.94	2.42	2.16
South-eastern Asia	4.43	0.93	2.96	1.75
Eastern Europe	2.05	1.98	2.79	1.72
Sub-Saharan Africa	-	4.00	3.08	0.78

Crunch Analysis

- In the Inexpensive category, Southern Asia and Northern Africa have the highest sentiment scores, with values of 4.50 and 4.16, respectively.
- In the Moderately Expensive category, Latin America and the Caribbean has the highest sentiment score, with a value of 4.50.
- In the Very Expensive category, Southern Asia has the highest sentiment score for restaurant reviews, with a value of 3.35.
- In the Expensive category, Southern Asia has the highest sentiment score for restaurant reviews, with a value of 4.16, while Latin America and the Caribbean have the second-highest score with a value of 3.92.
- South-eastern Asia has the lowest sentiment score in the Expensive category, with a value of 1.75, while Eastern Europe has the lowest score in the Very Expensive category, with a value of 1.72.

Customers from Subregions with higher sentiment scores in the Inexpensive and Moderately Expensive categories do not necessarily have higher scores in the Very Expensive and Expensive categories, indicating that the price range of restaurants can affect customer sentiment.

2.2 Food: The Truth Behind the Plate

The below analysis represents the price range of restaurants across different categories - Inexpensive, Moderately Expensive, Expensive, and Very Expensive - and the corresponding sentiment scores for each category, over a five-year period from 2018 to 2022.

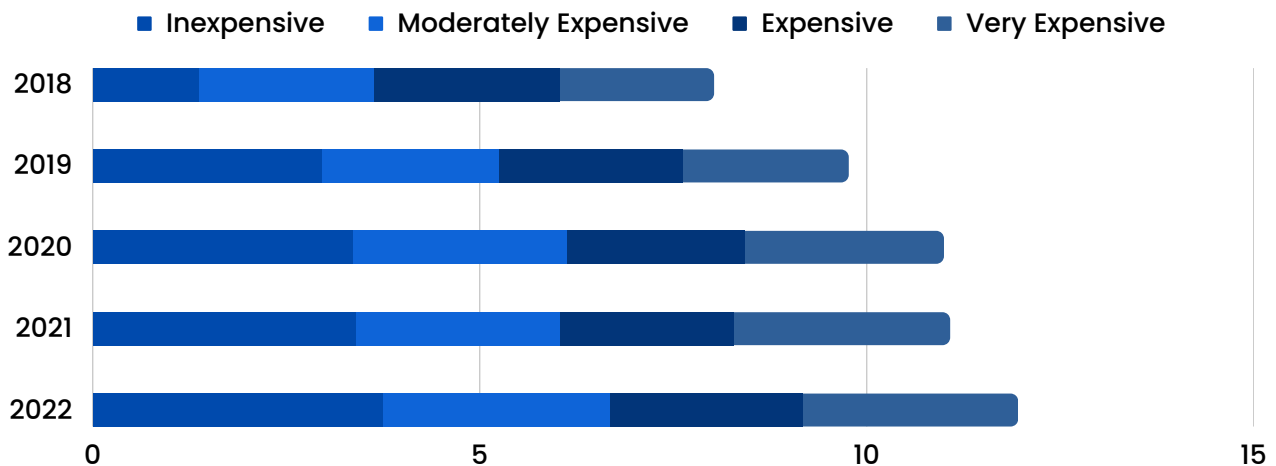


Figure 6 - Yearly Food Sentiment Trend by Price Range

The data suggest that restaurant prices are increasing, but customer sentiment remains relatively stable, with some variations from year to year. This indicates that the market was able to adjust and justify increases in prices by providing world-class experiences.

Crunch Analysis

- The sentiment scores for all categories of restaurants have remained relatively consistent over the five-year period, with slight fluctuations from year to year.
- The sentiment score for Inexpensive restaurants has shown a slight increase from 2018 to 2022, starting at 2.25 and rising to 2.93.
- The sentiment scores for Expensive restaurants show a slight decrease from 2018 to 2022, starting at 2.40, respectively, and declining to 2.25.
- The sentiment score for Very Expensive restaurants has shown an overall increase from 2018 to 2022, starting at 2.00 and rising to 2.79.

As restaurant prices continue to rise, it will be interesting to see whether this affects customer sentiment, and whether restaurants will need to make adjustments to maintain customer satisfaction.

2.3 Value: Has? Is? Gives? Offers?

The given data represents customer sentiment across four price categories: Inexpensive, Moderately Expensive, Expensive, and Very Expensive, for each month of the year. The sentiment has been measured using a scale of -5 to 5, where negative values indicate negative sentiment and positive values indicate positive sentiment.

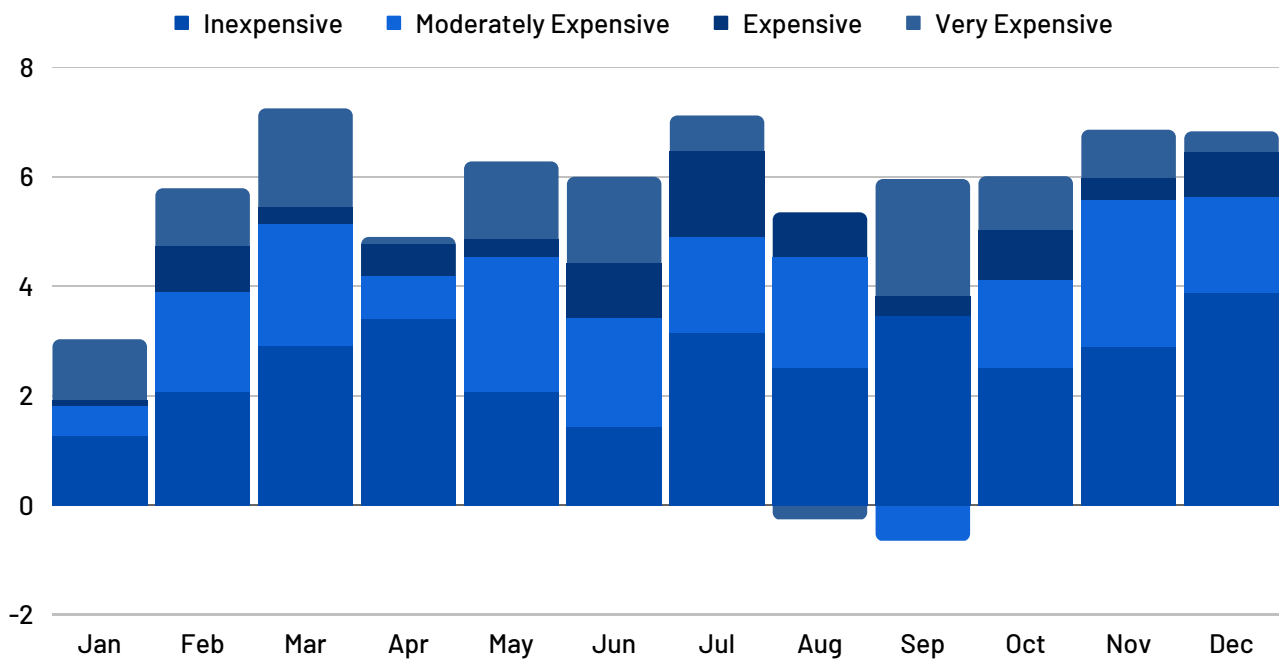


Figure 7 - Sentiment Performance by Price Range

Crunch Analysis

The data can be used to gain insights into how customers feel about products or services at different price points throughout the year.

- Inexpensive restaurants generally receive positive sentiment throughout the year, with sentiment scores ranging from 1.25 to 3.86.
- Moderately expensive restaurants generally receive positive sentiment throughout the year, with sentiment scores ranging from 0.55 to 2.69.
- Expensive restaurants receive mixed sentiment throughout the year, with sentiment scores ranging from 0.10 to 1.57.
- Very expensive restaurants generally receive positive sentiment throughout the year, with sentiment scores ranging from 0.13 to 2.14.
- July and September show the most significant changes in sentiment towards different price categories.

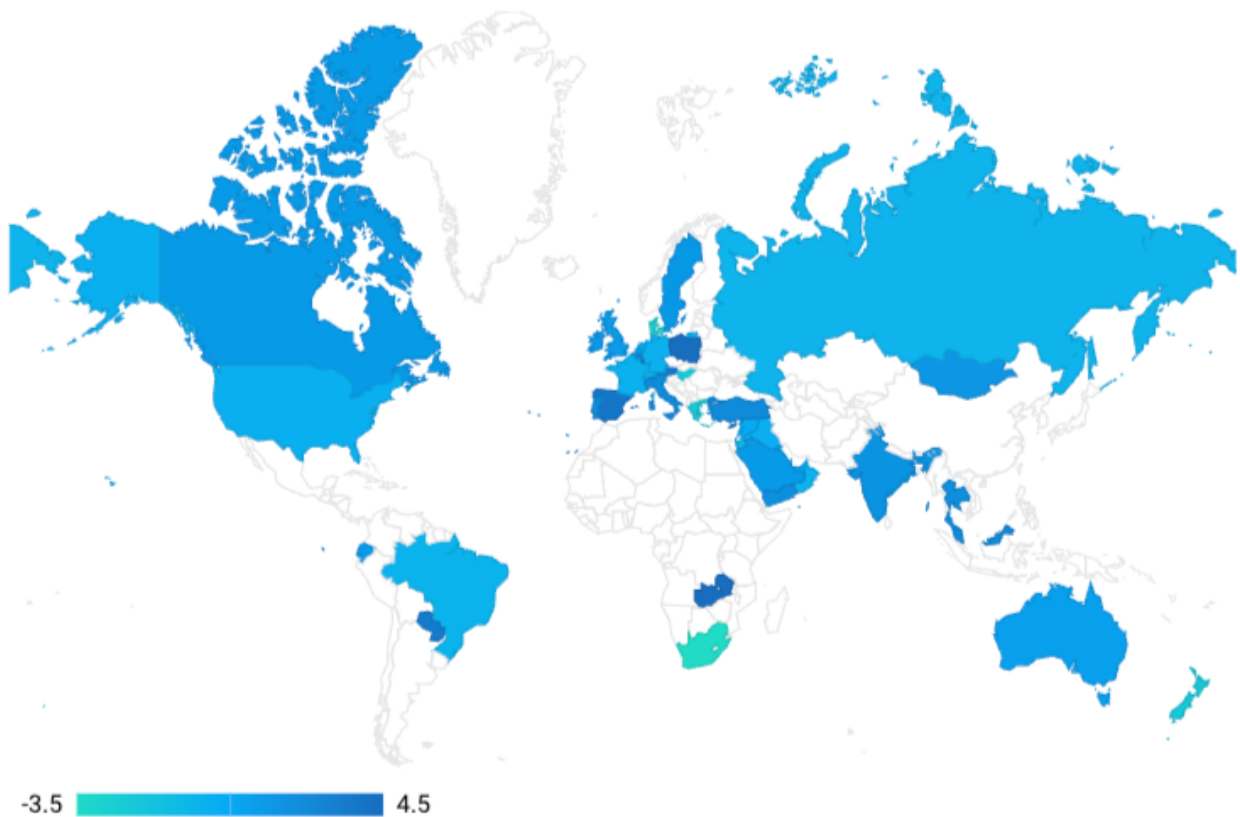


Figure 8 - Value for Money: Sentiment Map

Overall, Value for Money data suggests that customer sentiment towards different price categories varies throughout the year, and businesses should be aware of these trends when planning their product or service offerings. By understanding customer sentiment at different price points, businesses can make better decisions about pricing, marketing, and product development.

Crunch Strategy

Back to basics. To improve value for money, focus should be on:

- **Provide high-quality ingredients:** Use fresh, locally sourced, and high-quality ingredients to prepare the dishes. This can help to enhance the taste and quality of the food and justify the price of the meal.
- **Offer customizable dishes:** Allow customers to customize their meals to meet their preferences. This gives them a sense of control over their meal, and they are likely to perceive the meal as having a higher value.
- **Invest in ambiance:** Create an inviting atmosphere by providing comfortable seating, good lighting, and pleasant background music. This can enhance the dining experience and justify the price of the meal.

2.4 Service: Bringing excellence to your plate

The sentiment data for restaurants across four different categories suggests that customers tend to rate less expensive restaurants more positively than more expensive ones. The "Inexpensive" category consistently had the highest sentiment scores, while the "Moderately Expensive" and "Expensive" categories had mixed sentiment scores. The "Very Expensive" category had the lowest average sentiment score and also showed the most significant fluctuations in sentiment throughout the year.

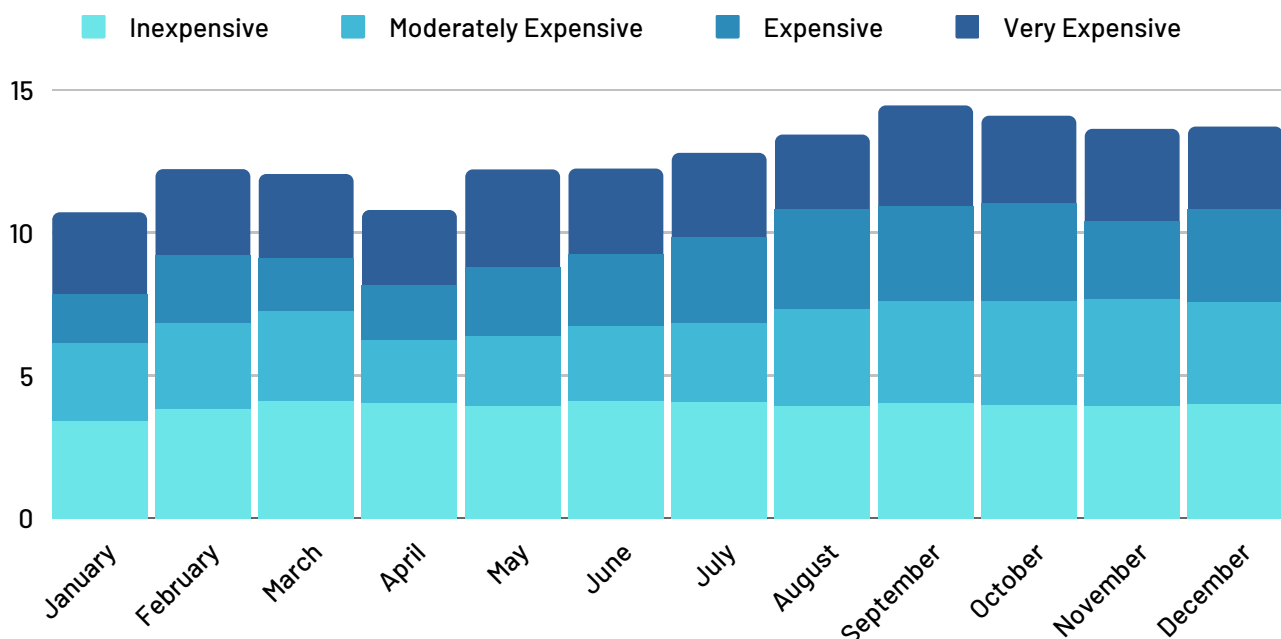


Figure 8 - Service Sentiment across different Price Range categories

As seen from the data expensive does not necessarily equal good service. Could it be the case of "we know we are best why should we listen"? Maybe.

Crunch Analysis

- The sentiment data for restaurants across four different categories shows that the "Inexpensive" category consistently had the highest sentiment scores throughout the year, with an average score of 3.89.
- The "Moderately Expensive" and "Expensive" categories had mixed sentiment scores, with an average score of 3.12 and 2.66, respectively.
- The "Very Expensive" category had the lowest average sentiment score of 3.01, and also showed the most significant fluctuations in sentiment throughout the year.

3. Conclusion

Last year, the gourmet food scene in the UAE took on the likes of Paris, New York, and London. There's a lot on the table for the UAE hospitality sector – literally, if the rising number of posh new fine dining restaurants is anything to go by. And as ever in this part of the world, the competition to be the most extravagant and lauded is already high.

Here is this report crunch strategy summarized:

- **Offer attractive deals**: Provide discounted meal packages, happy hours, or early bird specials to customers. These deals can help to entice customers to visit and promote loyalty.
- **Provide high-quality ingredients**: Use fresh, locally sourced, and high-quality ingredients to prepare the dishes. This can help to enhance the taste and quality of the food and justify the price of the meal.
- **Offer customizable dishes**: Allow customers to customize their meals to meet their preferences. This gives them a sense of control over their meal, and they are likely to perceive the meal as having a higher value.
- **Reduce waste**: Minimize food waste by adjusting portion sizes, monitoring inventory, and using leftover ingredients for other dishes. By reducing waste, the restaurant can offer reasonable prices while maintaining quality and profitability.
- **Invest in ambiance**: Create an inviting atmosphere by providing comfortable seating, good lighting, and pleasant background music. This can enhance the dining experience and justify the price of the meal.
- **Train staff to upsell**: Train staff to upsell higher-margin items or value-added services like a dessert or a wine pairing. This can help to increase the average ticket value and improve the perceived value for money.
- **Solicit customer feedback**: Ask customers for feedback on their dining experience, and use their feedback to improve the menu, service, or ambiance. By incorporating customer feedback, the restaurant can improve the overall dining experience and justify the price of the meal.

In our next restaurant crunch, we will look if Michelin star is really a star when looking from the eyes of customers.

3.3 About Us

At Hoick, we empower businesses to listen to customer and employee feedback, understand and analyze what they hear, and take action to improve experiences and design new ones. We help companies capture and act on the customer, market, products, brand, and employee insights, all in one place.

Products and Services

- ▶ CustomerMX, Customer Experience Management Software
- ▶ EmployeeMX, Employee Engagement Software
- ▶ Mining Experiences (MX), Market Research Software
- ▶ Borrow our Brain, Professional Service Practice (Data Storytelling)

3.4 Prospectus

The full report is custom-made with 50-70 pages and backed up by a database and live market dashboard of the findings with unmasked market data.

This prospectus is to give you a snapshot and an idea of what to expect. To express interest in the full report and live market dashboard contact us:

- Fill up the form at: <https://bit.ly/3RcGxLA>
- or Scan the below QR code to access the form



3.5 Next on Sentiment Crunch

Calendar



- February, 27 - Restaurants Annual Sentiment Report 2022
- March, 31 - Hotels Annual Sentiment Report 2022

UAE



UAE Restaurants 2022 Annual Sentiment Report (Prospectus)

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