

# TRACKS

*Newsletter*



## If you can make it there, you can make it anywhere

Hard to believe, but five years have passed since the Great Recession of late 2008, early 2009. While plenty of consumers would argue that the economy and employment remain anemic, there are clear signs of improvement in the quick-service restaurant category.

Recovery in QSR over the past five years has been steady if not spectacular. Some measures look good, some are still in need of improvement.

During the recession some QSR users dropped out of the category, not even registering a past-month visit. While some consumers have returned to the category, there are too few heavy and superheavy users.

Across 65 selected U.S. media markets monitored by QuickTrack, on average, participation in the category grew 10 percent between 2009 and 2013.

Digging deeper, Sandelman analysts examined the percentage growth in QSR incidence over this five-year period to identify the Top 10 and Bottom 10 markets in terms of QSR incidence growth.

The news is good for a lot of formerly light fast-food markets.

Several of the Top 10—including New York, Washington, D.C., Boston, San Francisco and Seattle—are markets that had historically light QSR incidence. They are markets with a

strong fine dining and polished casual dining community and above-average household incomes.

All of the Top 10 have posted double-digit increases from 2009 to 2013, with most of the Top 10 markets enjoying about 90 percent incidence.

There's good news for the Bottom 10 markets, too, which haven't seen much growth in the QSR pie: They all had about 90 percent QSR incidence in 2009 and have managed to show some growth in participation.

For more information on how your markets are recovering, call Paul Clarke at (847) 277-7603.

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Top 10 Markets	% Growth in QSR Incidence 2009-2013	Bottom 10 Markets	% Growth in QSR Incidence 2009-2013
New York	19%	Charleston/Hunt., W.Va.	4%
Albany, N.Y.	16	Birmingham, Ala.	5
Washington, D.C.	15	Columbia, S.C.	6
Boston	15	Greensboro, N.C.	6
Miami	14	San Antonio, Texas	6
San Francisco	14	St. Louis	7
Tampa, Fla.	14	Charlotte, N.C.	7
Philadelphia	14	Kansas City, Mo.	7
Austin, Texas	13	Knoxville, Tenn.	7
Seattle	13	Oklahoma City	7

*More than a fourth of QSR users engage with at least one QSR on social media sites.*

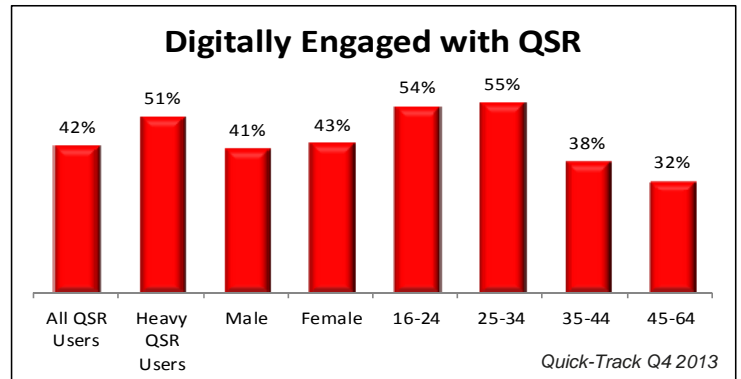
## How do you 'like' me now?

Anyone with teens can tell you how quickly tastes change when it comes to social media and smartphone app usage. Sandelman can help you discover where QSR users are congregating and how to reach them.

Nearly nine in 10 QSR users regularly use Facebook, nearly half use YouTube, a fourth use Twitter and fewer than 10 percent use restaurant review sites.

Finding out about special promos and deals remains the biggest driver for QSR users to engage with QSR chains on social media, but a handful of other activities gained prominence since 2011.

Nearly six in 10 QSR users own a smartphone, up from four in 10 in 2011. Plus, smartphone QSR users are spending more time on their phones since 2011 and most use them to interact



with QSRs.

QSR users are most likely to use their smartphones to engage with QSRs to locate or choose a place, find out about deals or new information, post on social media sites or to text to receive coupons.

When Sandelman checks in with QSR users again late next year about their use of social media and smartphones, the activities and methods/sites used will likely evolve to include mobile apps, online ordering, self-

directed loyalty programs and as-yet unrevealed ideas.

Chains that effectively meet consumers where they are today and where they want to be tomorrow will build stronger affinity. Balancing today's media/marketing efforts between traditional and digital vehicles, while working on long-term initiatives, might be the best approach to continue to grow share.

Go to [www.sandelman.com/socialmedia](http://www.sandelman.com/socialmedia) to order today.

## Better food, craving and price can trump convenience

More than half of QSR users drive past closer fast-food restaurants to seek better food or to satisfy a craving, according to

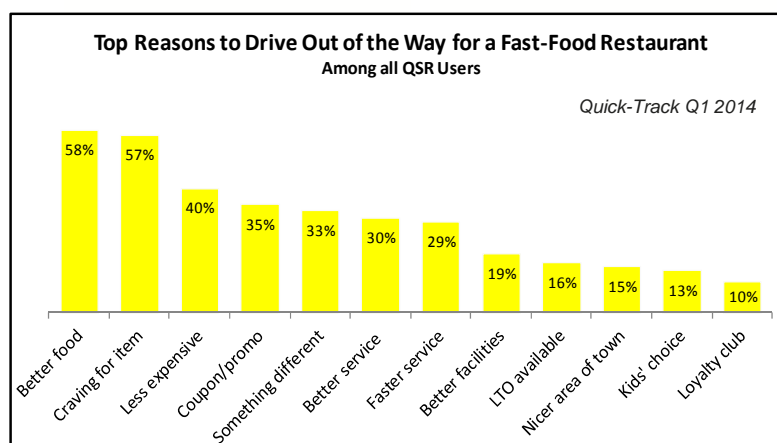
our new special report.

Less expensive options or coupons/promos are the next biggest drivers, followed by variety

and service. Kids' choice and loyalty clubs are the weakest drivers.

QSR users are most likely to drive further to visit Chipotle, Panera, Chick-fil-A and Papa Murphy's, S&A finds.

When it comes to convenience, QSR users consider more than proximity: parking and quick lines, for example. And there are differences by demographics. For more info or to order your copy go to [www.sandelman.com](http://www.sandelman.com) / convenience.



## This old restaurant

Casual dining restaurant users have higher expectations relative to restaurant facilities than in 2009, placing greater importance on décor/atmosphere, being fun and appropriate at various dayparts.

Sandelman's new report *Renovation Rewards* explores what aspects fuel a high rating on décor/atmosphere, which aspects are most important, how renovation has already affected usage for key chains, and how future visits would be affected if a chain were to renovate.

Clean/well-maintained facilities and comfortable seating are keys to high ratings on atmosphere and décor of restaurants.

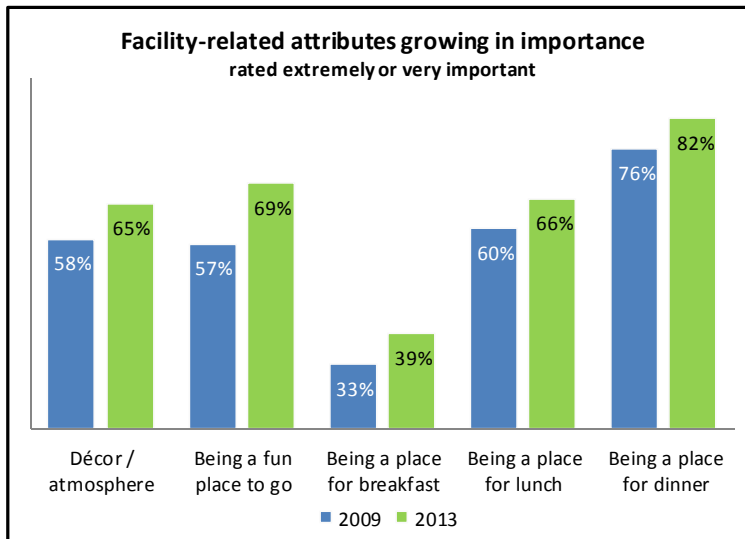
But CDR users also consider noise level, variety of seating options, and privacy and space in the dining area.

Mature CDR users and females are most difficult to please as they consider more characteristics to be important than males and younger users.

As the economy improved, some CDRs underwent renovations with the hope of capturing greater loyalty from users. Findings from this report indicate that this strategy is working for most chains

where users have noticed recent renovations.

To order, go to [www.Sandelman.com/cdrrenovate](http://www.Sandelman.com/cdrrenovate).



## Learn where your lapsed users went

Examining behavior among QSR customers seeking Mexican-inspired food, S&A analysts took a deeper dive into Taco Bell and Chipotle customers.

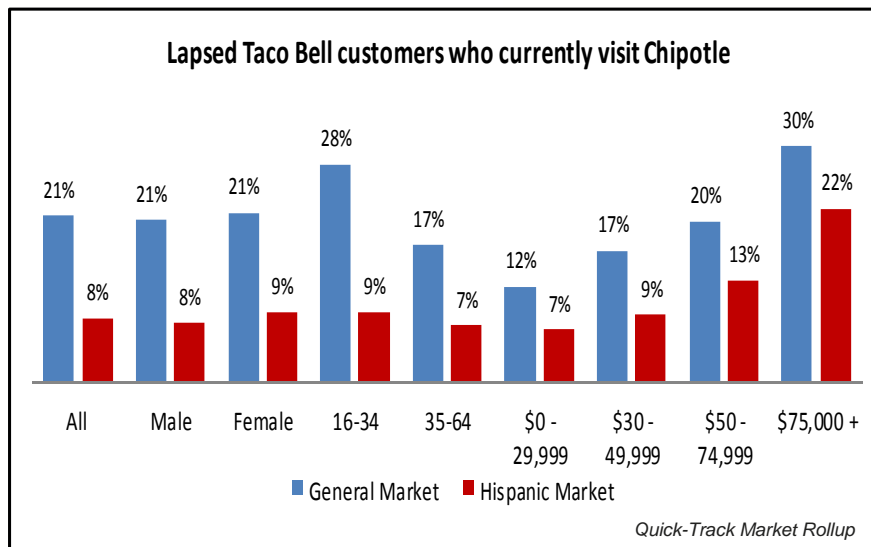
Sandelman analysts found nearly one in five lapsed Taco Bell customers have migrated to Chipotle. The highest migration can be seen among younger (28 percent) and more affluent (30 percent) lapsed Taco Bell customers.

Fewer Spanish-speakers have left Taco Bell for

Chipotle, as fewer than one in 10 lapsed Taco Bell customers have migrated over to Chipotle. Price may be a hurdle for many Spanish-dependent Hispanics, as the percentage of Chipotle customers

increases as income increases.

Want to see where your lapsed users are going? Contact Paul Clarke at (847) 277-7603 or [paul@sandelman.com](mailto:paul@sandelman.com).



*Nearly 1 in 5 lapsed Taco Bell customers have migrated to Chipotle.*

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## This snack attack is no game

When Sandelman examines which are the best QSR snack markets, it appears the coffee segment is driving snacking.

The strongest QSR markets for snack occasions in 2013 were in coffee strongholds like Boston, Providence, Hartford, Seattle and San Francisco, among the best Dunkin' and Starbucks markets.

Snack occasions as a share of total QSR was low in many southern markets, where bis-

cuits and gravy are more common than snack-friendly lattes and cappuccinos.

Chains that don't specialize in coffee might consider adding a distinctive snack item (a treat, beverage or hand-held food

item) to their menu in order to draw occasions that might otherwise go to coffee chains.

Watch this space for information about Sandelman's upcoming report on QSR snacks.

Top 10 QSR Snack Markets 2013	% of QSR visits	Bottom 10 QSR Snack Markets 2013	% of QSR visits
La Crosse/Eau Claire, Wis.	16%	Charleston/Huntington, W.Va.	6%
Boston	16	Birmingham, Ala.	7
Buffalo, N.Y.	16	Greensboro, N.C.	7
Providence, R.I.	15	Huntsville/Decatur, Ala.	7
New York	15	Peoria, Ill.	7
Seattle	14	Macon, Ga.	7
Wilkes-Barre, Pa.	14	Lexington, Ky.	8
San Francisco	14	Montgomery, Ala.	8
Hartford, Conn.	14	Cincinnati	8
Syracuse, N.Y.	12	Duluth, Minn.	8

## About Sandelman & Associates

Sandelman & Associates conducts consumer research exclusively for the foodservice industry. Information for this newsletter is taken from the Quick-Track and Casual-Track syndicated tracking studies, which monitor attitudes, awareness and usage at the media market level.

To learn how we can help make you the smartest person in the room, call Paul Clarke at (847) 277-7603.