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Newsletter



Chick-fil-A big winner in annual Awards of Excellence

Chick-fil-A is the No. 1 best-rated QSR chain in Sandelman’s Quick-Track® 2014 annual Awards of Excellence. *See Top 10 lists below.*

“It’s easy to see why fast-casual chains are putting so much pressure on traditional fast-food chains. Almost all of the Top 10 best-rated large chains are fast-casual QSRs,” says Bob Sandelman, CEO of Sandelman & Assoc. “These fast-casual chains are stealing share from their larger counterparts by providing tasty food that’s perceived to be prepared with higher quality ingredients in cleaner, more attractive restaurants.”

In Sandelman’s market-level Quick-Track study, QSR customers in 2014 rated their most-

recent visits overall on a 5-point scale; and they rated chains they’ve recently patronized on 16 customer satisfaction attributes. Awards of Excellence are based on the proportion of respondents who rate a chain “excellent” (“5” on a 5-point scale). This past year, nearly 100,000 Quick-Track respondents rated the chains they patronized.

Chick-fil-A was the No. 1 best-rated QSR on seven of 16 customer satisfaction attributes. Notably, Chick-fil-A was No. 1 on “appeal to kids,” besting longtime leader McDonald’s.

In-N-Out Burger was among the Top 3 best-rated chains on seven attributes and Raising Cane’s was Top 3 on five characteris-

tics. In an unparalleled run, for the seventh consecutive year Little Caesars garnered the top spot for “affordability of the prices” and “value for the money.” Capriotti’s Sandwich Shop, based in Las Vegas, placed No. 1 on attributes “taste and flavor of the food” and “quality of the ingredients.”

The awards are based on results reported in the quarterly syndicated Quick-Track study. In 2014 Quick-Track gathered information about nearly 1.5 million visits in almost 100 U.S. media markets. In all 148 chains qualified for the Awards.

Call Paul at (847) 277-7603 to order the full report or to learn more.

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2014 Quick-Track Top 10 QSR Chains (all chains)

1. Chick-fil-A
2. In-N-Out Burger
3. The Habit Burger Grill
4. Capriotti's Sandwich Shop
4. Raising Cane's Chicken Fingers
6. CC's Coffee House
6. Café Zupas
8. Café Rio Mexican Grill
8. Five Guys Burger & Fries
8. Firehouse Subs

2014 Quick-Track Top 10 Large QSR Chains (500+ units)

1. Chick-fil-A
2. Five Guys Burger & Fries
2. Firehouse Subs
4. Chipotle Mexican Grill
5. Panera Bread
6. Zaxby's
7. Papa Murphy's
8. Jersey Mike's Submarines
9. Culver's
9. Starbucks

Media habits are all about age

Chains that augment traditional media with web-based viewing and audio enjoyment methods will have the best chance to reach younger users with promotional messages.

It seems more difficult each quarter for restaurant chains to reach consumers with advertising. In July-Dec 2014 Casual-Track and in Oct-Dec 2014 Quick-Track, Sandelman analysts delved into media habits to find out why.

Quick-Track surveys 16 to 64 year olds with at least one past-month fast-food restaurant visit; Casual-Track surveys ages 18+ with at least one past-month full-service restaurant visit.

While traditional broadcast TV and radio still has the broadest reach, much viewing and audio entertainment time is spent on new media, especially among the young. Notably, 16-to-34-year-old QSR users watch live TV only a third of the time, while CDR users over 65 rely heavily on live TV. For older users, their most-watched option other than broadcast television is the DVR. For young users, it's more about streaming:

over half of their viewing time is on Netflix, YouTube, Hulu, Amazon or other streaming. Most restaurant-goers often or always fast-forward commercials when they have the capability.

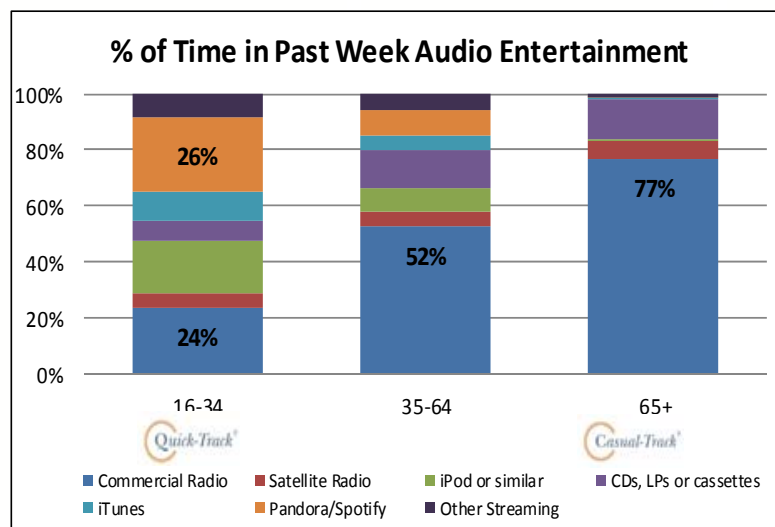
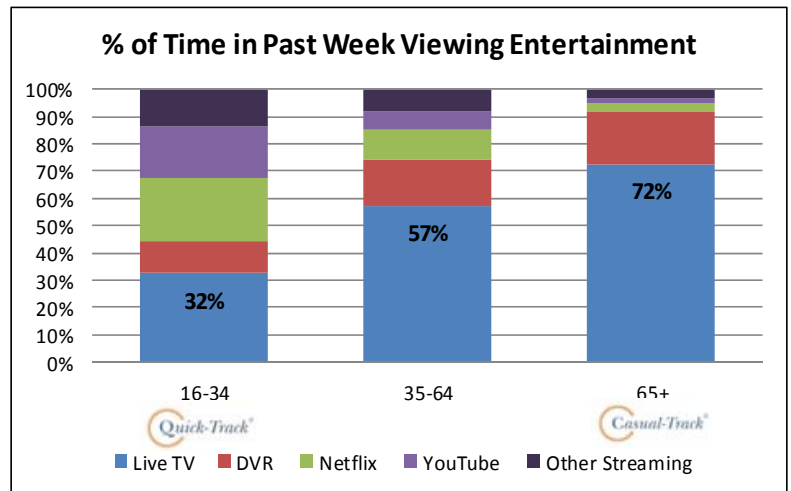
Audio entertainment is even more splintered, as vast physical and digital personal libraries are added to the mix. Casual-Track uncovered that more than three in four audio enjoyment hours are still on commercial radio for 65+, but 16 to 34 year olds grant only a one in four audio enjoyment hours to commercial

radio.

Viewing methods aren't appreciably different between males and females, but males rely more heavily on YouTube. But for audio enjoyment, females grant a greater share to commercial radio than males.

Chains that augment traditional media with web-based viewing and audio enjoyment methods will have the best chance to reach younger users with promotional messages.

To better understand which methods QSR and CDR users usually use for video and audio enjoyment, their average number of hours per week, which groups are most likely to fast-forward commercials, which methods are favored and why as well as demo segmenting, please call Paul at (847) 277-7603.



So you want to be ‘on trend’?

QSR customers have developed more adventurous palates, as witnessed by high-flavor and ethnic-inspired cuisine on evolving fast-food menus. Sandelman set out to see what flavors were on the minds of adventurous QSR customers and which chains users believe are “on trend.”

S&A polled QSR customers on what types of ethnic/region-inspired food or ingredients they would like to see on QSR menus. Fully 45 percent said: “Regional American Cuisine (BBQ).” More than a third are interested in menu items that have a Mediterranean flair. Asian-inspired cuisine is a popular choice, with QSR customers seeking to go beyond just Thai to Korean and Vietnam-

ese. Latin food also remains desirable, with specific mentions of South American and Brazilian.

Among QSR customers who have recently tried new items, S&A asked who is doing a good job at staying ahead of most chains or “on trend.” Panera and Starbucks were cited by more than six in 10

customers for offering new, innovative products, with Chipotle not far behind. Carl’s Jr. (54 percent) received the most credit among burger chains for innovation, with approval by only one-third for Burger King and McDonald’s. For more information, call Paul at (847) 277-7603.

Chains More Likely to Offer "On Trend" Menu	Triers who Agree "On trend"
Panera Bread	63%
Starbucks	62
Chipotle	56
Carl's Jr.	55
Qdoba	54
Taco Bell	54
Jack In The Box	52
Rubio's	51
Papa Murphy's	51
Firehouse Subs	49

Chains Less Likely to Offer "On Trend" Menu	Triers who Agree "On trend"
Five Guys	37%
Burger King	36
McDonald's	36
Little Caesars Pizza	33
KFC	32

The power of new media

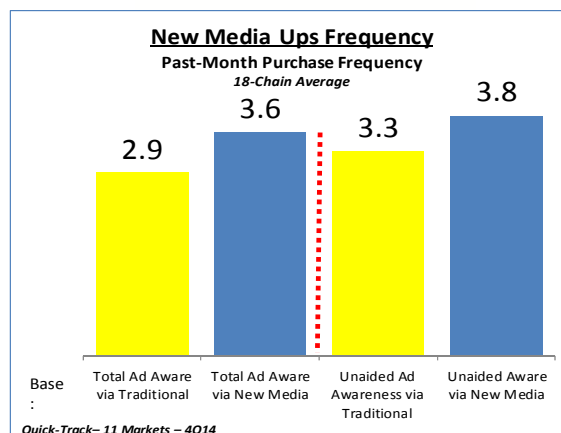
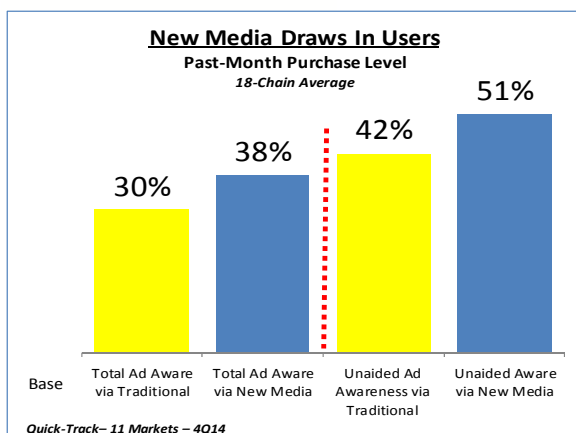
A new report from Sandelman highlights the emerging power of new media, such as social media, e-marketing and internet ads. Though far more QSR users cite traditional advertising methods than cite new media as the source of chain ad awareness, new media is deliv-

ering more bang for the buck.

Past-month purchase levels and frequency were substantially higher among QSR users who became aware of chain advertising via new media than among users who were exposed to chain advertising via TV, radio or other traditional

vehicles.

New media that were strong enough to elicit unaided ad recall yielded the greatest payback in terms of both high purchase levels and high frequency. Call Paul at (847) 277-7603 for more information.





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This is the last print version of *Tracks*.

If you love our free newsletter and want to continue to receive it, please act now.

In order to save a few trees and encourage pass-along, Sandelman will distribute the quarterly *Tracks* newsletter via

email and we will continue to post it at sandelman.com, too.

If you're not sure if we have your email address, go to Sandelman.com/Tracks and provide the required information.

You'll continue to receive the same in-

sightful findings garnered from our syndicated tracking studies Quick-Track and Casual-Track, plus previews of special reports and other features.

Thank you from the Sandelman team. We appreciate our readers.

About Sandelman & Associates

Sandelman & Assoc. 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.

S&A tracking studies allow clients to make the best decisions in their marketing, advertising and operational efforts. Call Paul Clarke at (847) 277-7603 to learn how.