

TRACKS

Newsletter

New reports

Where Are Fast-Food Users Dining When Not at Fast Food?

www.sandelman.com/dininghabits

National Hispanic Fast-Food Trends 2009

www.sandelman.com/hispanic

Learn more:

National Hispanic Fast-Food Trends 2009

- Average QSR frequency by demographics with 5-year trend
- Demographics by usage
- Share of occasions by service type with 5-year trend
- Share of occasions by day-part with 5-year trend
- Share of occasions by chain type with 5-year trend
- Importance of 15 customer satisfaction attributes
- Demographic profiles

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Hispanic fast-food user pie is shrinking

Fast-food chains have stepped up marketing to Hispanics in recent years to woo this growing population segment. While Hispanics continue to be a large and growing segment of the population, their fast-food usage has slumped.

Hispanics have been hard hit by the economy. Spanish-speaking Hispanics tend to be younger and less educated than the population as a whole, leading to higher unemployment as manufacturing and construction jobs have disappeared.

In 2005, there was nearly uni-

versal usage of fast-food among Hispanics aged 16 to 64 when 96 percent had a past-month fast-food visit. Now 22 percent of the U.S. Spanish-speaking Hispanic population hasn't had a fast-food occasion in the past month.

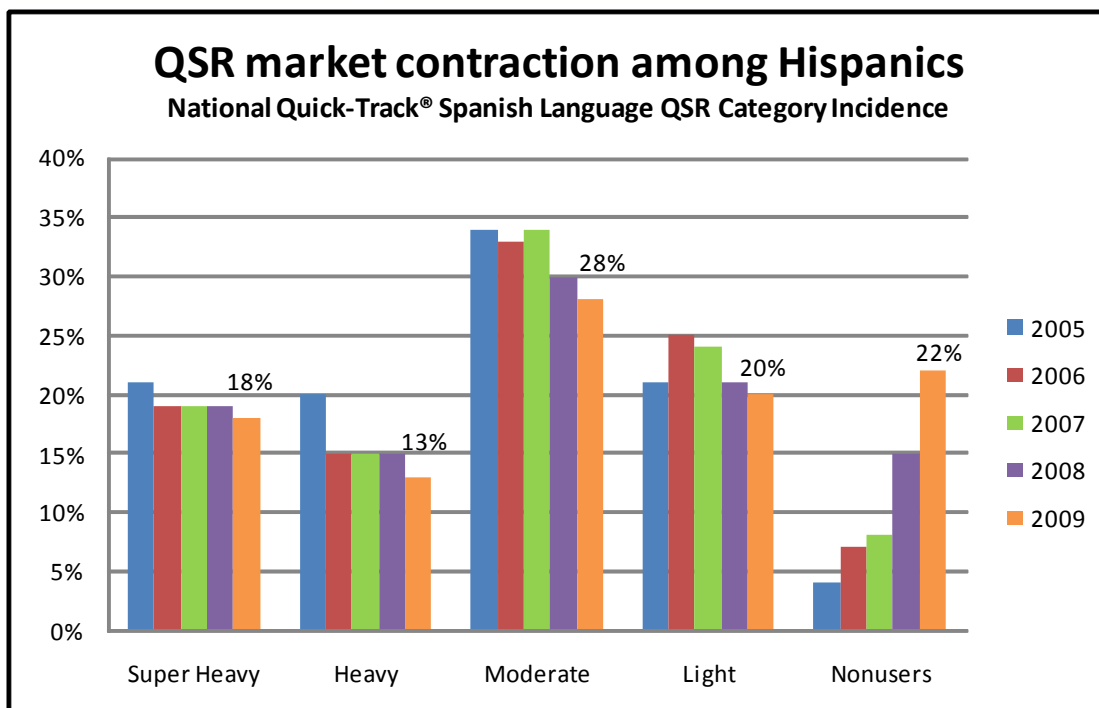
Also a concern: only 31 percent are considered heavy QSR users (enjoy more than 12 occasions a month), down from 41 percent five years ago.

A silver lining: The incidence of super-heavy users (20+ occasions a month) has only slightly declined. Because His-

panic super-heavy fast-food users contribute nearly 60 percent of all Hispanic QSR occasions, this small group is extremely important.

Who are the super-heavy users? Though their demographics mirror all Spanish-speaking Hispanic users (young, less than high school educated and low income), they skew heavily male.

To order *National Hispanic Fast-Food Trends 2009*, go to www.sandelman.com/hispanic.



Where have all the young men gone?

For a while it seemed like the struggling economy might not affect fast-food chains too badly. Though the industry has fared better than many others, including casual dining, job losses and stagnant wages have taken a toll.

Truth is, the economy caused fast-food users to change their dining habits. Users have adjusted how often they visit and how much they spend at fast-food restaurants compared to last year, and they're replacing QSR visits in surprising ways.

To help our clients get a better handle on these shifts, we added several custom questions to our National Quick-Track® Study in Oct-Dec 2009. The result is a

new report: *Where are Fast-Food Users Dining When Not at Fast-Food?*

For starters, fewer are choosing fast food regularly. Only 79 percent of 16 to 64 year olds are past-month QSR users and average frequency dipped between fall 2008 and fall 2009. Usage is down considerably compared with five and 10 years ago, when penetration was over 90 percent.

When respondents compared their usage in late 2009 vs. year ago, more than twice as many fast-food users believe they visited QSRs less often than those who reported they visited more often. Worse, nearly half of all 18-to-34-year-old men reported

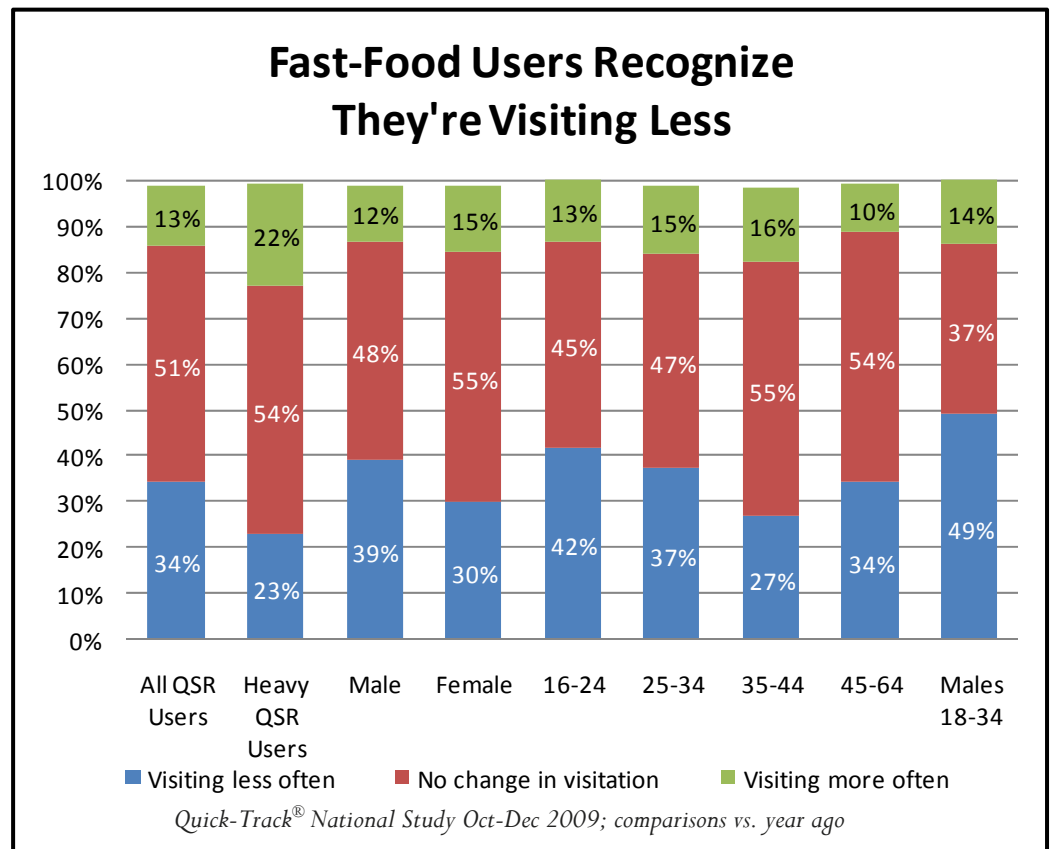
they visited less often than in late 2008.

As companies start hiring, young men, who have been hardest hit by construction and manufacturing layoffs, should start returning more to fast food.

This study reports on where users are dining now that they're not dining at fast-food and casual dining restaurants as often. Supermarket-prepared foods and home-cooked meals are the beneficiaries.

To order *Where are Fast-Food Users Dining When Not at Fast-Food?*, go to www.sandelman.com/dininghabits.

Last year only 79 percent of 16 to 64 year olds were past-month QSR users.



Award-winning fast food performances

Remarkably 37 QSR chains garnered Sandelman & Associates' **Quick-Track® Awards of Excellence** in 2009. Congratulations to the winners!

This past year, over 90,000 Quick-Track respondents in 78 markets rated fast-food chains they had visited in the past three months. Notably 39 percent of fast-food chain customers rated their last occasion "excellent" overall, the strongest showing since we began reporting these results in 1999. Full results are presented in the *QSR Customer Satisfaction & Brand Positioning Report – 2009*.

"Fast-food users are more satisfied than they've ever been with the overall dining experience," says Bob Sandelman, CEO and founder of Sandelman & Associates.

Several regional chains excelled in 2009, capturing most of the Top 10 spots in the Top Rated Chains Overall category. In-N-Out Burger, Capriotti's, Raising Cane's, Giordano's Pizza, Café Rio, Idaho Pizza Co., Penn Station, Pei Wei and Firehouse Subs all garnered Top 10 honors.

Customers continue to highly rate regional chains, especially fast-casual chains.

Who is No. 1? In 2009 we had a photo finish: In-N-Out Burger edged Capriotti's by a fraction of a point to earn the highest overall rating of last purchase occasion.

Chains are rated by past-three-month users based on their last occasion. Respondents rate their last occasion on a five-point scale overall.

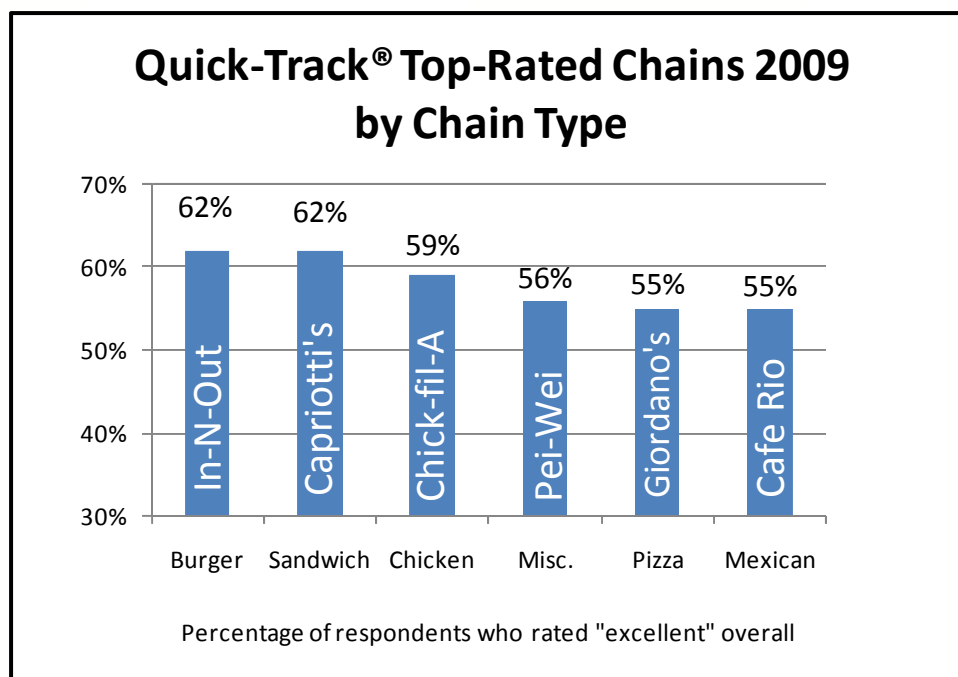
In addition, select chains are rated on 15 customer satisfaction attributes. Many chains with high overall ratings fare well on individual attributes, too.

In-N-Out received a staggering 18 awards, scoring higher than

chain Sheetz is No. 1 on variety. Raising Cane's places in the Top 3 on four characteristics: cleanliness, kid appeal, temperature of the food and friendliness. Little Caesars is tops when it comes to value and affordability. Chick-fil-A places in the Top 3 on seven customer satisfaction attributes, which is remarkable because it operates nearly 1,500 units in 38 states.

The *QSR Customer Satisfaction & Brand Positioning Report – 2009* includes many detailed lists ranking chains for all chain types and within chain type. Chains that improved overall from the prior year also are identified and ranked overall

In 2009, 39 percent of fast-food chain customers rated their last occasion "excellent" overall, the industry's best ever performance.



all other chains on quality of the ingredients, friendliness of the staff, accuracy in filling orders and being "a place for someone like me." Regional sandwich

and by chain type. Customers who order the report can select five chains for a deeper dive into the data. To order a copy or for more information, go to www.sandelman.com/awards.

25790 W. Apache
Barrington, IL 60010

Phone: (888) 897-7881, ext. 2
E-mail: paul@sandelman.com

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Young, affluent, men supporting casual dining

Though their ranks are thinning, it's still important to understand who casual dining heavy users are.

Heavy users enjoy 12 or more casual and family dining restaurant occasions every three months. Typically, 30 to 40 percent of casual diners are heavy users; and they historically account for about 80 percent of all visits.

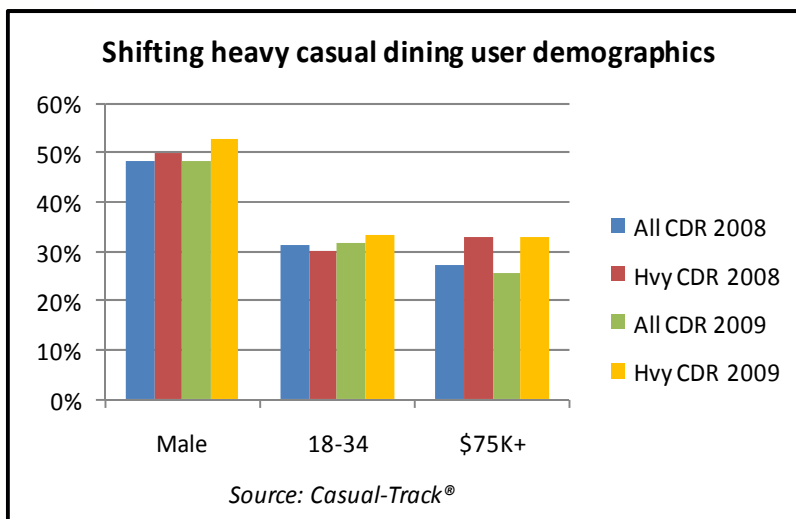
In 2009, only 15 percent of users were heavy users and they contributed only 35-40 percent of all occasions.

Who are these weekly casual diners? They're increasingly male, between the ages of 18 and 34 and earn over \$75,000.

Why the shift? It's likely they're being lured by happy

hours, late-night specials, dinner for two for \$20 and three plates for \$20 meal deals.

For more information about Casual-Track, call Paul Clarke at (888) 897-7881, ext. 2.



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. To learn how we can help you make better marketing decisions and for a 15-minute SandelmanEdge demonstration, call Paul Clarke at (888) 897-7881, ext. 2.