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- *Social Media for Restaurant Operators*-
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Excellence is the economic engine

It's winter. Things slow down, we take stock, prepare for the coming spring. We can't stop winter, but we can make the most of it.

We are in the winter of economic cycles. After all booms there are busts. We can't stop the cycle and we can't spend our way out of it. Individuals and institutions need to de-leverage. On top of that, we are in a demographic winter. We have an aging population. Older people tend to spend and consume less. These are natural cycles and we cannot prevent them.

Perhaps we need to change our perspective. It may be cold and gray, but it can be beautiful. Maybe we can learn a lesson from those who truly celebrate winter – Winter Olympians. Besides embracing the season, Winter Olympians' focus is almost exclusively on excellence. Doing what they do better than anyone else.

How can we embrace winter? Let's change our focus from making more money than last year to doing what we do as well as we can. When consumers cut back on spending, it is challenging to increase transac-

tions and grow top line sales. However, if we keep our focus on doing what we do as well as we can and invest in the future, we are likely to fare better than those who focus strictly on cutting costs at the expense of the customer experience.

Yes, you need to be profitable to provide jobs for your employees. But when business slows down there might be an opportunity to focus on things that you haven't had time to do when business was booming.

When was the last time you took a good hard look at your menu? Is it time to provide more training for your employees so decisions can be made on the front lines? What would you like to know about consumers? This might be the time to tackle objectives that have been on the back burner. In addition, keeping people employed will help minimize the length and depth of this winter season.

I have long thought that restaurants can be economic engines. We've all been to a remote restaurant that seems to revitalize an area. Restaurants can bring tourists to an area or draw locals from miles around.

They also provide reasons for some to stay or settle in an area.

But restaurants that can help support a community aren't just any restaurants. They are excellent restaurants. Some are expensive and some are not. But they all have a great passion for what they do and they do it very well. Maybe it is not a restaurant that is the economic engine, it is the excellence. Examples of excellence being the engine abound. While every community has a high school, an excellent high school can be an economic engine. It draws people to a neighborhood, which in turn drives property values and economic development. It is not the presence of any high school or any restaurant; it is excellence that breeds success.

Winter Olympians have succeeded by overcoming hardships and focusing on being the best they can be. Whatever you do, I encourage you to embrace winter, change your perspective, and do what you do as well as you can. You will be richer for it.

- - *Jeff Davis is president and chief analyst at Sandelman & Associates.*

Learn more:

Social Media for Restaurant Operators

- *Social media sites visited frequently and occasionally*
- *Incidence of restaurant fans, followers and friends*
- *Reasons why respondents become fans*
- *Who is attracting the most followers and fans?*

Inside this issue:

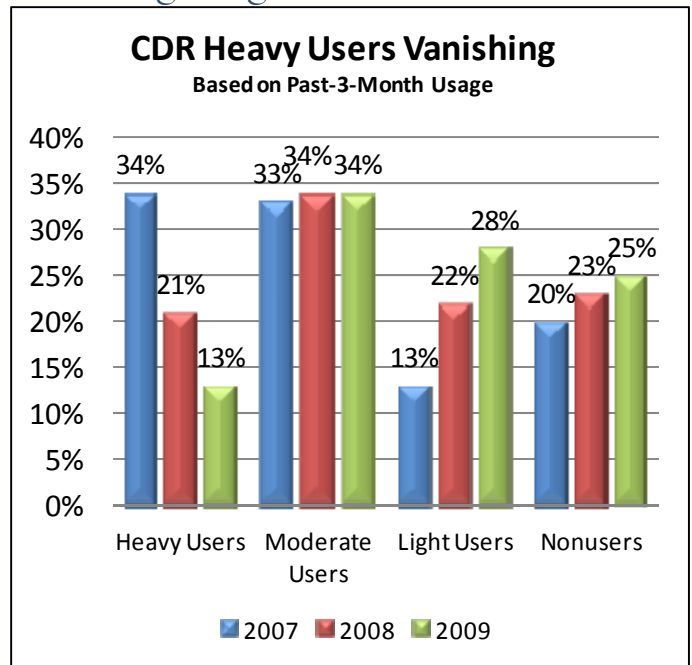
- Fewer heavy users is weighing on chains* 2
- Find your customers on social media* 3
- Who's winning the share battle?* 4
- About S & A* 4

Fewer heavy users is weighing on chains

The prime target of most restaurant chains is the category's heavy users, because they dine out often and have a lot of occasions to spread around. You pick the low-hanging fruit when you can. Problem is, there are fewer low-hanging fruit.

In 2007, 34 percent of casual and family dining users were considered heavy category users (enjoyed 12 or more occasions in the past three months). By 2009, heavy user incidence sank to about 13 percent.

What's hurting casual dining is the drop in number of occasions that heavy CDR users provide to the category. In 2007, 75 percent of occasions were owing to heavy users. Their contribution shrank to 40 percent in 2009. As a result the casual dining pie is shrinking and what's left are primarily moderate users.



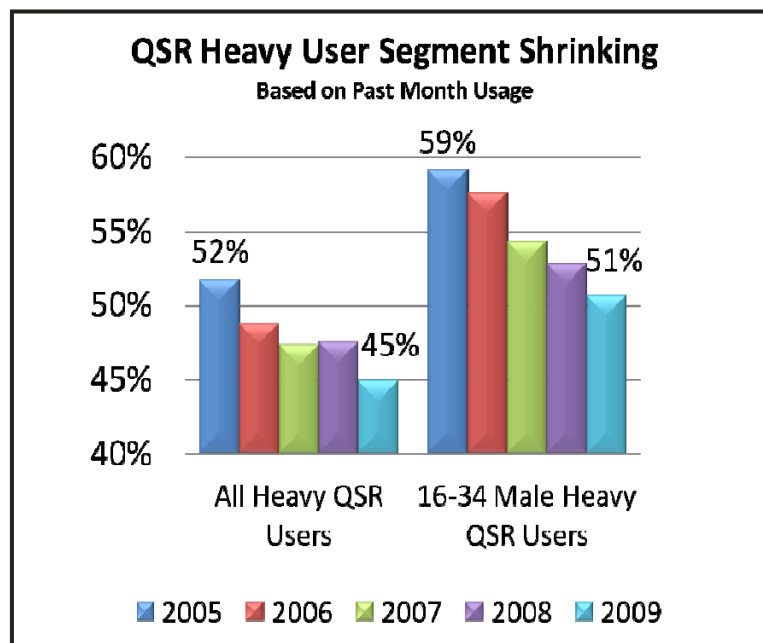
The ranks of moderate users are unchanged (those who had four to 11 CDR occasions in the past three months) and the light user segment (one to three CDR occasions) nearly doubled in size. It's likely heavy users are becoming moderate users, moderate users are becoming light

users and light users have fallen out of the category.

By comparison, the quick-service restaurant category is holding up much better than CDR, though there have been important shifts. While heavy QSR usage is off, the downward trend is not nearly as steep. In 2005, 52 percent of QSR users qualified as heavy users (12-plus occasions per month). Now, 45 percent are heavy users. These heavy QSR users still account for 81 percent of all QSR occasions.

The mainstay of the QSR category, males age 16-34, are cutting back. In 2005, 59 percent of young males were heavy category users, compared with 51 percent now. It's clear the weak job market and depressed wages are weighing on fast-food usage, too. For more info call Paul Clarke at (847) 277-7603.

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Find your customers on social media

If you're not already involved in social media, then you're likely looking for ways to get involved. Facebook, Twitter, MySpace, YouTube and other social media and social networking sites are changing the way consumers communicate, congregate and share opinions.

That's why Sandelman & Associates developed the special report *Social Media for Restaurant Operators*.

When it comes to delivering the right audience for QSR advertisers, social media performs well. Heavy QSR users are fairly heavy social media users, too. Nearly 30 percent of heavy QSR users interact

with social media four or more hours a week and about 50 percent spend at least an hour weekly on social media sites.

Social media users skew younger. In fact, they're younger than typical QSR users. More than 80 percent of 16 to 24 year olds spent some time with social media sites in the past week, while fewer than 40 percent of 45 to 64 year olds were active on social media sites in the past week.

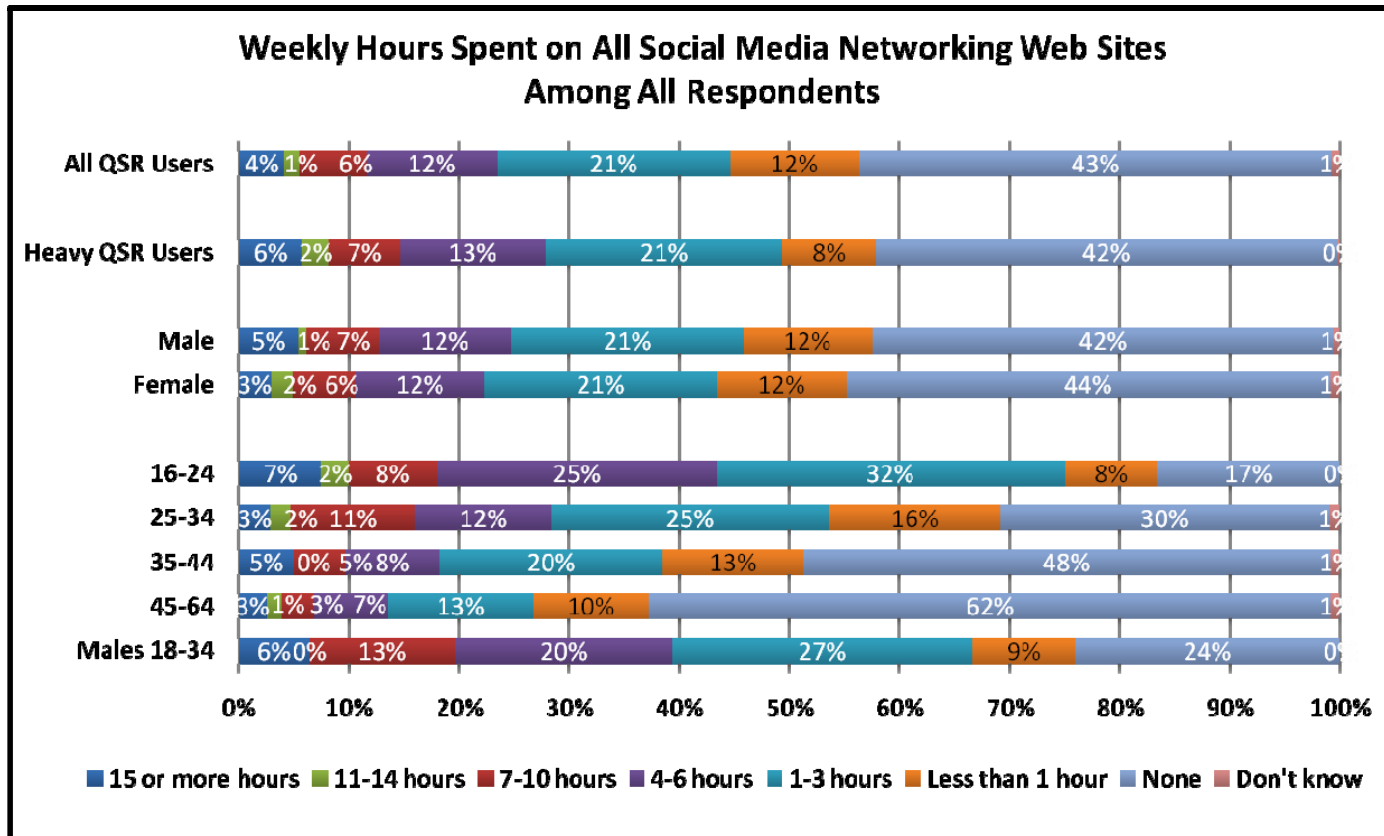
In the past couple of years, social media and social networking sites have engrossed mainstream America, fully engaging more consumers than many traditional media outlets.

More than 80 percent of companies plan to increase their social media budget in 2010, according to Econsultancy and bigmouthmedia.

Sandelman's report provides an overview of popular social media and quantifies how QSR users interact with some of these sites.

Specifically, this report begins to uncover which QSR chains have attracted fans, followers or friends and the reasons QSR users interact with restaurants on social media sites. *To order a copy or for more information, go to www.sandelman.com/socialmedia.*

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Who's winning the share battle?

Who's winning and who's struggling in this ailing economy? Quick-Track provides answers. Let's examine the average share by chain type across all markets. These findings are based on tens of thousands of consumer interviews.

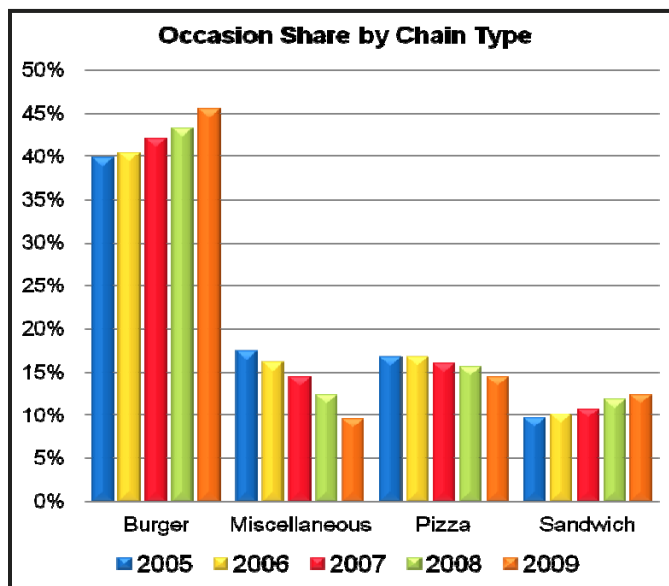
Steadily over the past five years, burger chains have commanded a greater share of QSR occasions. Burger chain share of all occasions is up over 5 points.

Miscellaneous chains have given up the greatest share, losing nearly half of 2005 share. These chains include fish restaurants, Asian concepts, snack providers and others.

Pizza chains have declined over

the past five years, while sandwich chains have progressively garnered greater share in each of the last five years. Chicken

chain and Mexican chain share shifted little over the past 5 years. For more information call Paul Clarke at (847) 277-7603.



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 (847) 277-7603.