



Syndicated Tracking Study for Family Dining Restaurants

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EDGE.com

Executive Report

**Family-Track Sample
October - March, 2005**

Methodology

- Family-Track® is part of the Foodservice Consumer Monitor®, an ongoing syndicated research study. Family-Track is a quantitative research study that tracks key consumer behavioral and attitudinal measures for major family dining restaurant chains in individual markets.
- Data is collected from respondents via telephone interviews conducted on a continuous basis with results reported semi-annually. Respondents are selected via a computer-generated random sample of listed and unlisted telephone numbers within the DMA. Respondents are males and females, age 16 and older, who purchase food from family dining restaurants at least once in a typical month. The data is weighted slightly to reflect the proper distribution of the population by sex and age in the DMA.
- In addition to the basic measures, attribute ratings are also included in this study. These attribute ratings provide ratings for selected chains on twelve key attributes that define a chain's overall image -- quality, service, facilities, and value. Respondents also rate the importance of these twelve attributes in their selection of a family dining restaurant.
- Fieldwork is performed by Datascension, Inc. from their central telephone facilities.



Glossary-User Segments

Family Dining Usage

All Users -- Respondents who purchase food from family dining restaurants (FDR) at least once in a typical month. This is the Total Sample of respondents.

- Heavy Users -- Respondents who purchased food at all FDRs 12 or more times in the past 2 months.
- Moderate Users -- Respondents who purchased food at all FDRs 4-11 times in the past 2 months.
- Light Users -- Respondents who purchased food at all FDRs 0-3 times in the past 2 months.

Chain Usage

- *Chain X* Users -- Respondents who purchased food from *Chain X* at least once in the past 3 months.



Glossary-Tracking Measures

- Brand Awareness - The percentage of consumers in a given segment who know of a specific FDR chain. This measure is important in determining a chain's overall presence in consumers' minds. Brand awareness is also the first stage of consumer development - consumers must be aware of a chain before they can develop an opinion or choose to go to that chain. Brand awareness can be broken down into the following components:
 - First Mention -- The first FDR chain mentioned. This measure is often called top-of-mind awareness and is an indication of the chain's saliency in consumers' minds. The higher the percentage, the more the chain stands out in the casual dining restaurant category.
 - Other Unaided -- Other FDR chains that consumers can recall without being prompted. This measure is usually viewed as part of unaided brand awareness and is seldom used alone.
 - Unaided Brand Awareness -- The sum of a chain's first mentions and other unaided brand awareness. This measure can be used to define the percentage of consumers who currently consider the brand as part of their decision set. Respondents usually mention 4 to 5 chains that are most relevant to them.
 - Aided Brand Awareness -- After unaided awareness is collected, consumers are prompted with the names of chains that were not recalled on an unaided basis. This measure is rarely used alone, but is used in combination with unaided brand awareness to provide total brand awareness.
 - Total Brand Awareness -- The sum of first mention, other unaided, and aided brand awareness. This measure is a good indication of the chain's distribution and longevity in the market.



Glossary – Tracking Measures

- Advertising Awareness - The percentage of consumers in a given segment who have seen, heard, or read advertising for the chain within the past month or so. This measure is used to monitor the impact of recent advertising relative to other chains. Advertising awareness can be broken down into the following components:
 - First Mention -- The first FDR chain for which consumers recall advertising in the past month. This measure is often called top-of-mind advertising awareness and is an indication of the advertising's saliency in consumers' minds. The higher the percentage, the more the advertising stands out in the casual dining restaurant category.
 - Other Unaided -- Other FDR chains' advertising that consumers can recall without being prompted. This measure is usually viewed as part of unaided advertising awareness and is seldom used alone.
 - Unaided Advertising Awareness -- The sum of a chain's first mentions and other unaided advertising awareness. This measure can be used to monitor the impact or intrusiveness of an advertising message, especially relative to other chains with similar media spending.
 - Aided Advertising Awareness -- After unaided advertising awareness is collected, consumers are prompted with the names of chains for which advertising was not recalled on an unaided basis. This measure is rarely used alone, but is used in combination with unaided advertising awareness to provide total advertising awareness.
 - Total Advertising Awareness -- The sum of first mention, other unaided, and aided advertising awareness. This measure is a good indication of media reach, share of voice, and relative media spending.



Glossary – Tracking Measures

- Purchase Levels - The percentage of consumers of a given segment who have purchased at least once from a chain during a given time period. Purchase levels are used to measure the breadth of a chain's customer base. Other terms for purchase level could include "brand reach," "brand penetration," "customer base," and "user base". Purchase levels are also used to measure customer retention. Family-Track monitors purchase levels with the following time periods:
 - Ever -- The percentage of consumers of a given segment who have ever purchased from a chain. This measure is synonymous with "trial." Trial is also an early phase of consumer development following brand awareness and consideration.
 - Past 6 Month Purchase Level --The percentage of consumers of a given segment who have purchased from a chain in the past 6 months. This measure provides a broad indication of a chain's current customer base. Long-term customer retention can be calculated by dividing the percentage of past 6 month purchasers by the trial percentage. Considering the pace at which consumers purchase from various FDR chains, "trier-rejecters" are defined as those who have tried a chain but have not purchased from that chain in the past 6 months.
 - Past 2 Month Purchase Level -- The percentage of consumers of a given segment who have purchased from a chain in the past 2 months. This measure is important because it has the strongest correlation with share. This measure also represents the segment who could be considered a chain's regular customers. Short-term customer retention can be calculated by dividing the percentage of past 2 month purchasers by the past 6 month purchase level. In addition, "lapsed-users" are defined as those who have purchased from a chain in the past 6 months but not in the past 2 months.
- Past 2 Month Purchase Frequency - The average number of times past 2 month chain users purchased from that chain in the past 2 months. Past 2 month purchase frequency is an indication of chain loyalty. Often, as a chain's 2 past month purchase level (base of regular customers) increases, purchase frequency will decline somewhat as a larger, less loyal customer base includes some newer users who purchase less frequently. The opposite is also often the case -- as a chain's customer base shrinks its frequency increases, because the chain is left with a smaller, more loyal base. The most successful marketing efforts both expand the customer base and increase purchase frequency among those customers.



Glossary – Tracking Measures

- Share of Past 2 Month Purchase Occasions - The percentage of occasions of a given segment that are dedicated to a particular chain. The base of past 2 month purchase occasions for any segment is the sum of all past 2 month users' occasions for that segment devoted to all chains. Share of occasions can be segmented by four dayparts (breakfast, lunch, dinner snacks). Share is the primary marketing measurement of success because share can vary independently from category changes. For instance, a chain can succeed by having a larger share of a shrinking category, or a chain may not be getting its fair share despite increased sales as the chain has a smaller share of a growing category. It is important to note that Family-Track share is based on share of occasions, not share of dollars.
- Overall Rating of the Last Purchase Occasion - Respondents rate their last occasion at each chain they have purchased from in the past 6 months on an overall basis using a five-point scale with "1" being "poor" and "5" being "excellent". The overall rating is reported as the percentage of respondents who rate the chain either excellent or very good (top two box score). Mean ratings are also available in the detailed tabulations. This measure indicates the strength of a chain's overall brand image.
- Attribute Ratings - Respondents rate select chains they have patronized during the past 6 months on 12 key attributes using a five-point scale with "1" being "poor" and "5" being "excellent". Each attribute rating is reported as the percentage of respondents who rated the chain either excellent or very good (top two box score). Mean ratings are also available in the detailed tabulations. Attribute ratings are used to show strengths and weaknesses relative to other chains on key aspects of a chain's brand image.



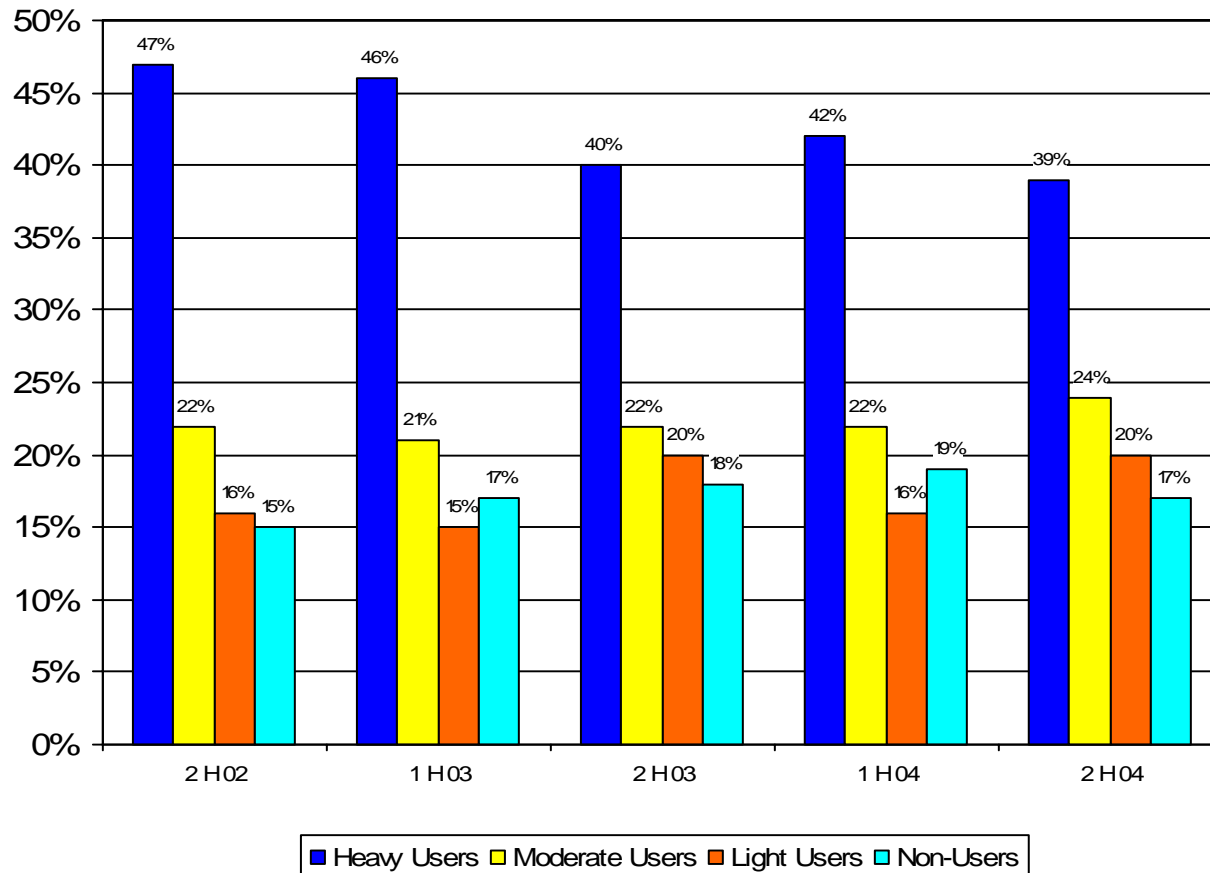
Deliverables

- Family-Track reports are delivered via the SandelmanEdge.com website. Deliverables include a PowerPoint report (similar to the following) and Excel tables (sample also available at SandelmanEdge.com).
- In addition, subscribers have access to the SandelmanEdge.com multi-dimensional cubes that allow users to slice, dice, trend, and graph data to meet their particular data analysis needs.



Trends in Family Dining (FDR) Incidence

Family Dining Restaurant Incidence Among Those 16+ Yrs. Old

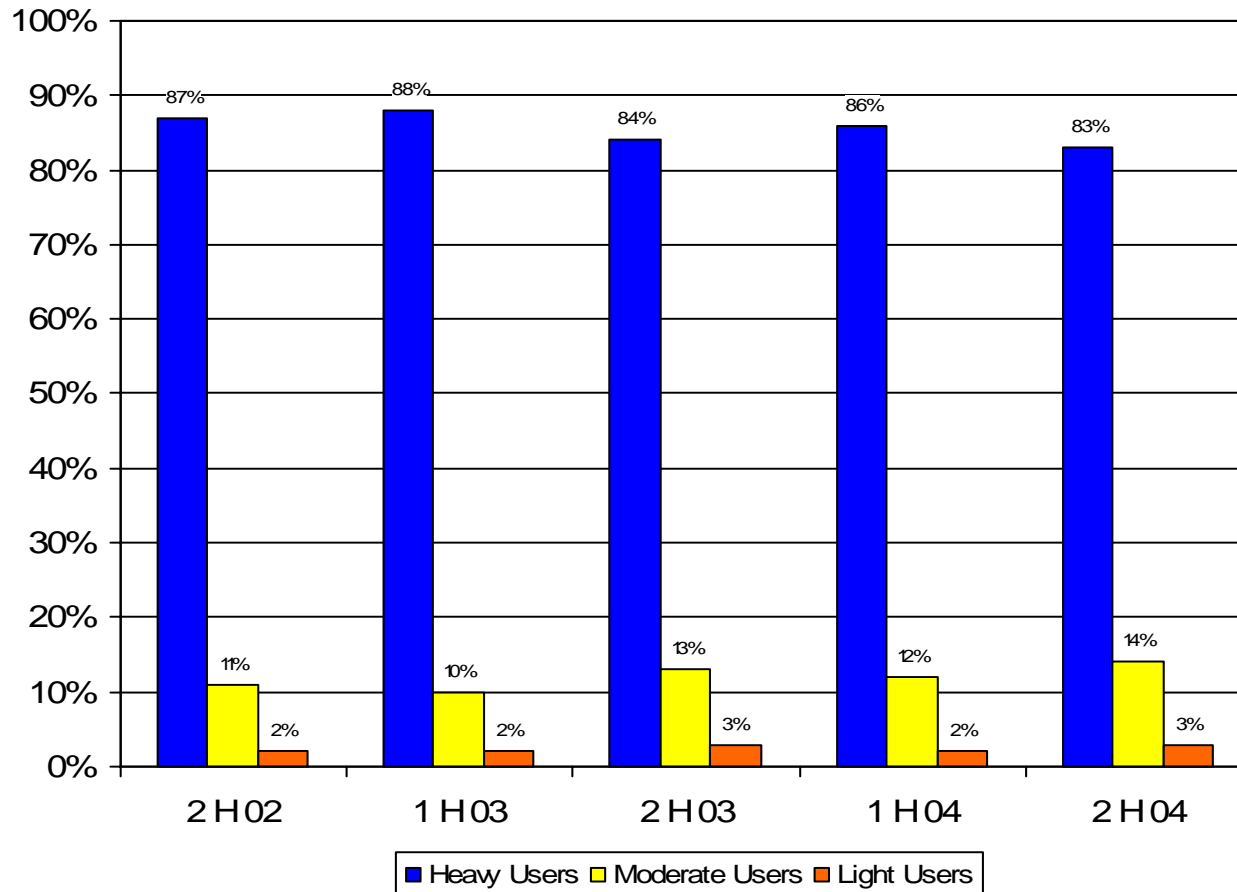


- Information is available for the FDR category overall.
- This chart shows the incidence of heavy, moderate, and light FDR users over time.



Trends in FDR Contribution

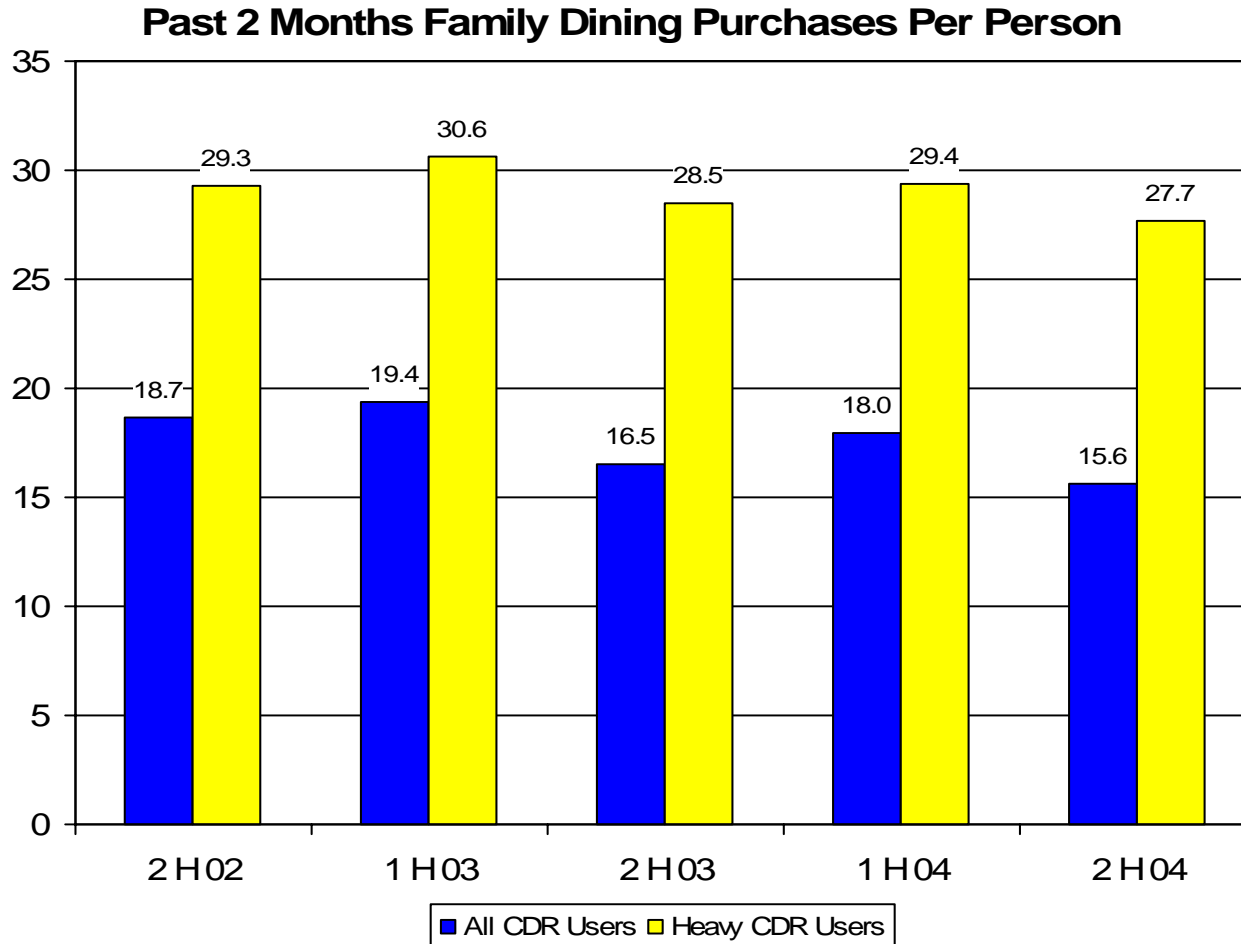
Contribution to Total Family Dining Purchases



- FDR contribution is the percentage of past month occasions accounted for by each usage group, in this case heavy, moderate, and light FDR users.



FDR Purchases per Person

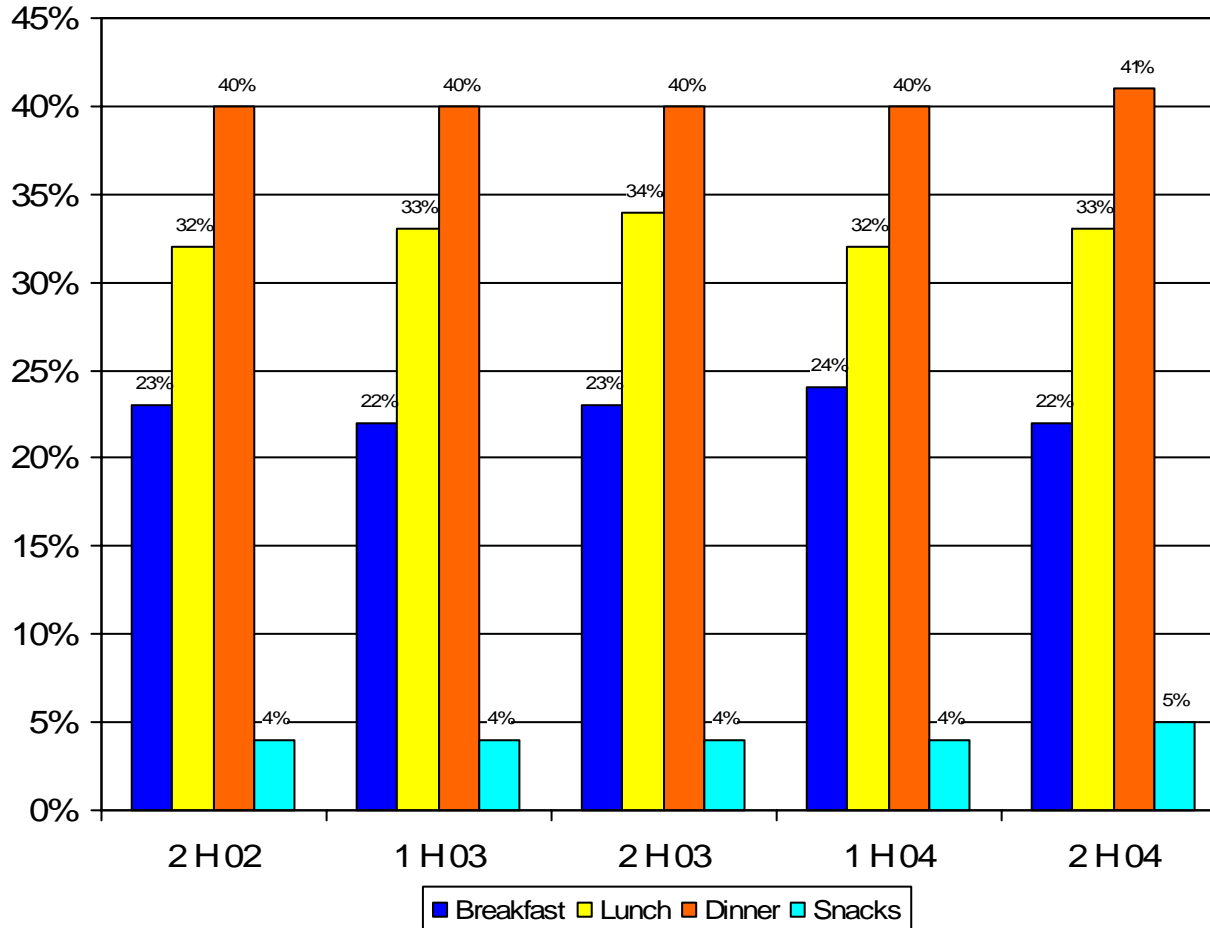


- FDR purchases per person provide an indication of the vitality of the category by market and period. Total past month occasions are provided here for all and heavy FDR users trended over time.



Share of All FDR Occasions by Daypart

Share of Family Dining Occasions by Daypart

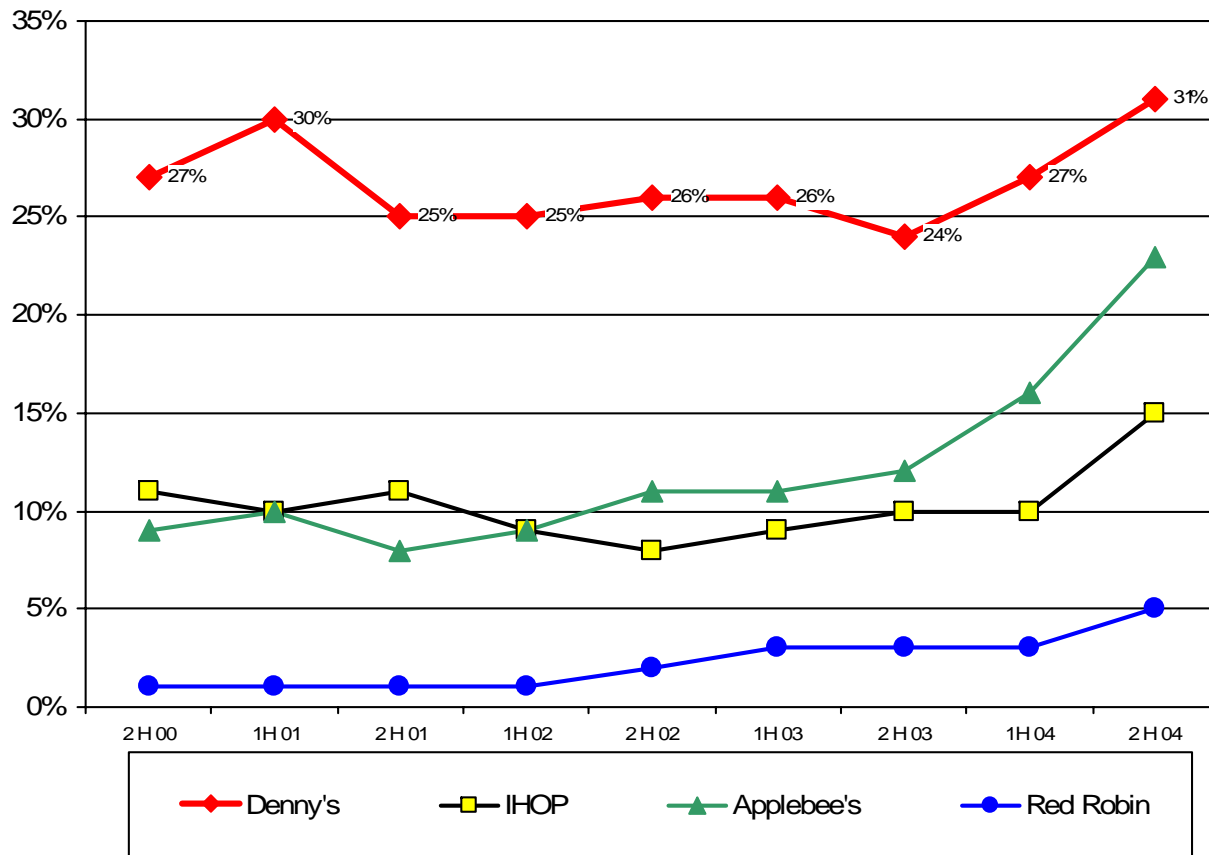


- Total FDR occasions can be sliced by daypart to show the size of each segment and changes over time. This information can also be provided by chain and for a variety of demographic segments.



Unaided Brand Awareness

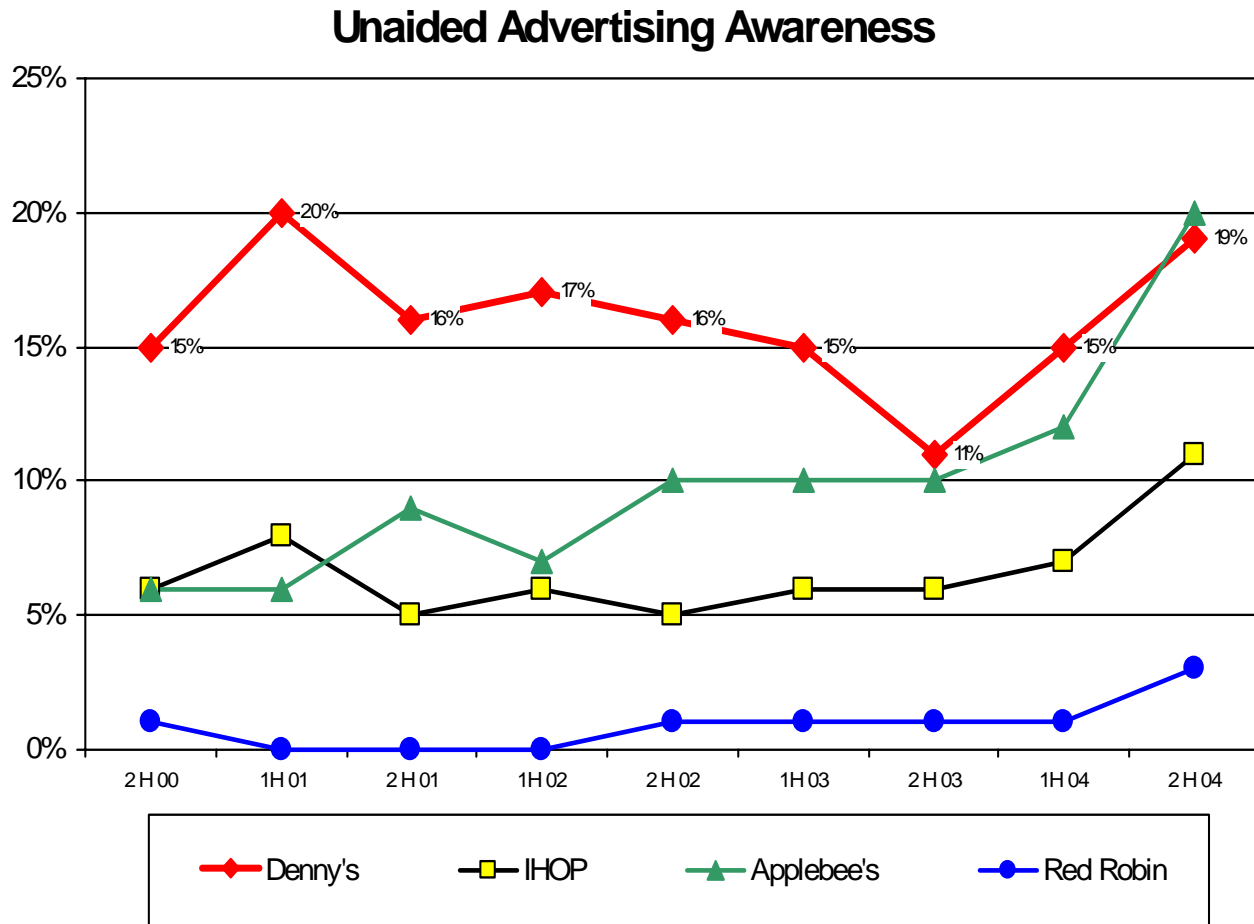
Unaided Brand Awareness



- Key awareness and usage measures are shown by chain over time. You can select which chains are charted. Subscribers have access to all key awareness, usage, and demo data for all chains monitored in the market.
- This information can also be filtered by demographic and usage groups on your computer.



Unaided Advertising Awareness

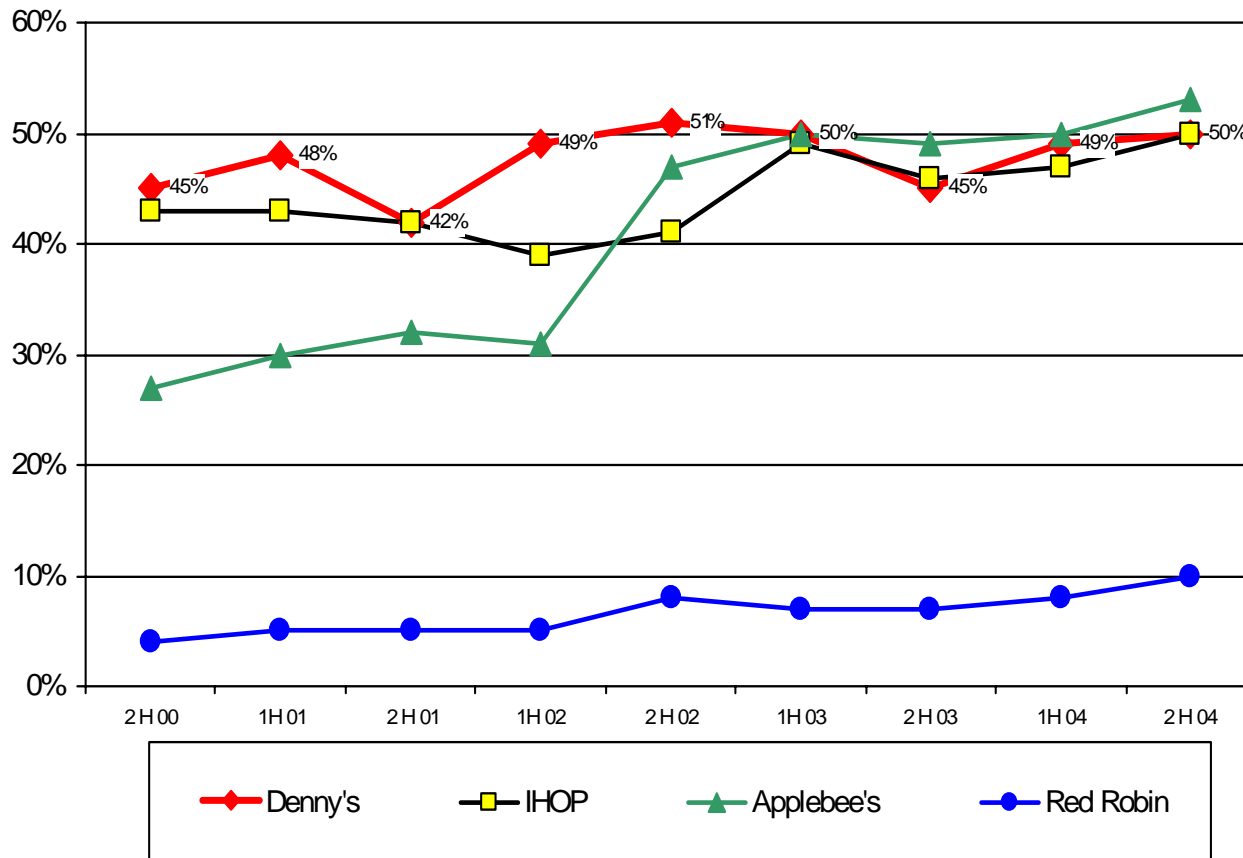


- Unaided advertising awareness helps monitor the impact of the advertising message. More relevant and memorable creative executions tend to generate above average results at the chain level.



Total Advertising Awareness

Total Advertising Awareness

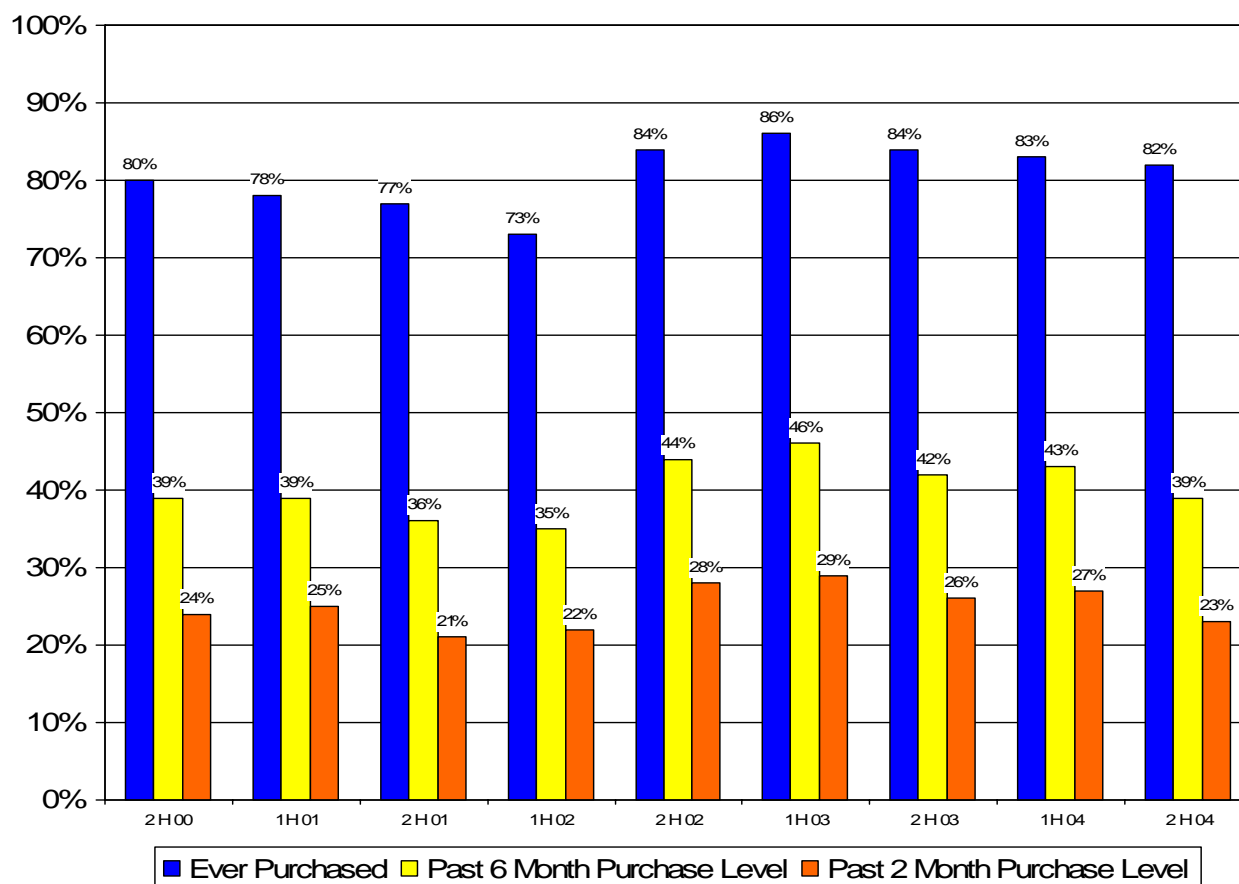


- Family-Track provides information on unaided and total brand and advertising awareness for up to 34 chains in each market.
- Total advertising awareness tends to measure media spending and share of voice. A strong, relevant message can also drive increases in this measure.



Purchase/Usage Levels

CHAIN'S Purchase Levels

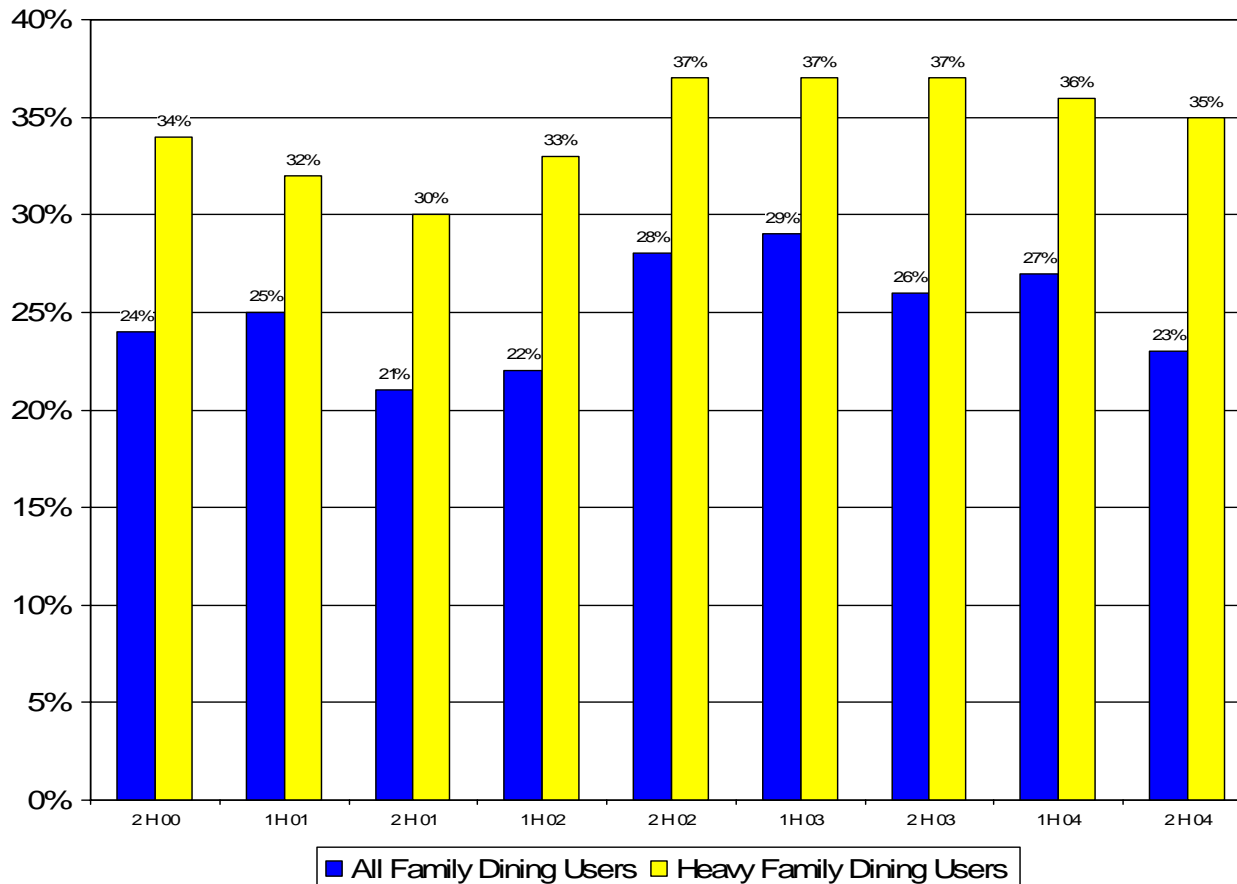


- Purchase levels include trial (ever purchased), past 6 month, and past 2 month usage.
- This chart also shows customer retention levels over time.



Chain Past 2 Month Purchase Level

CHAINS Past 2 Mos. Purchase Levels

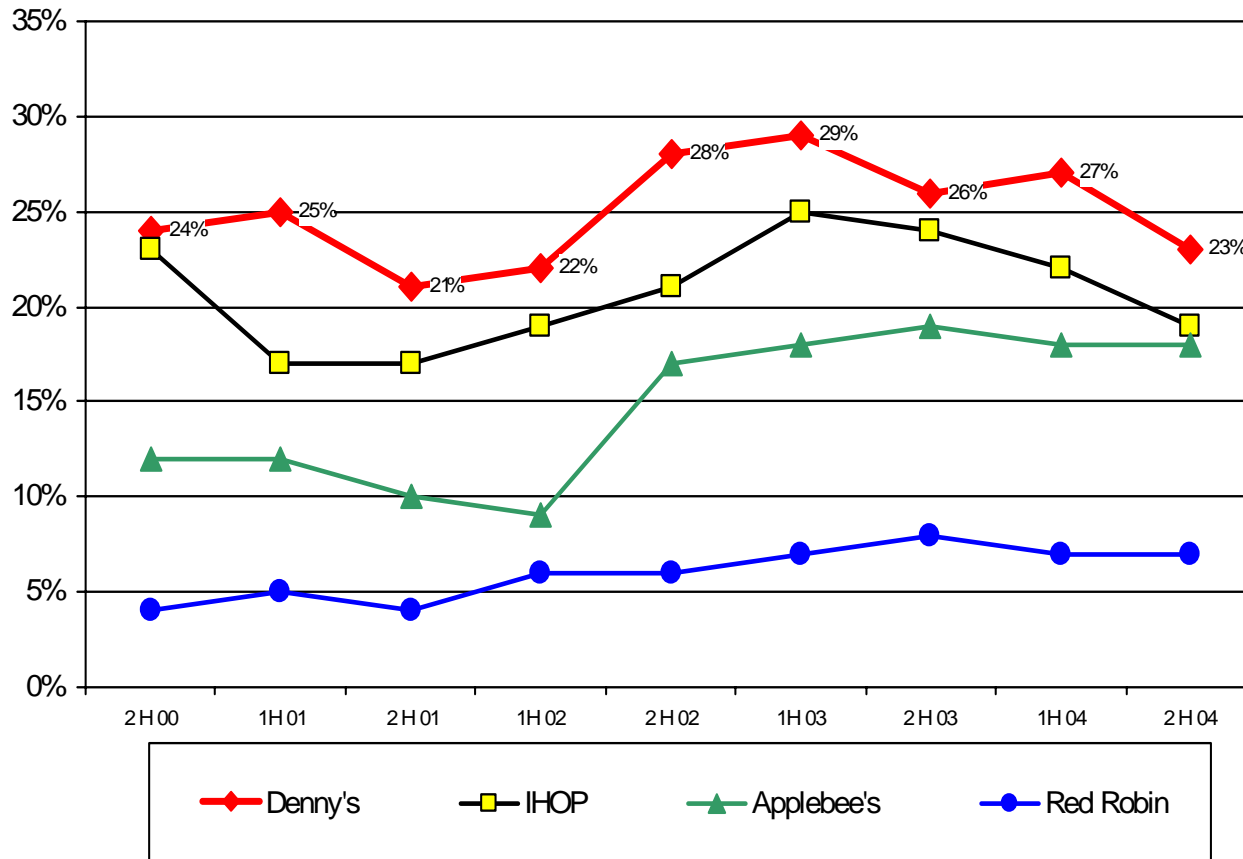


- Key information is charted for heavy FDR users to show how chains are performing with this important segment.



Past 2 Month Purchase Levels

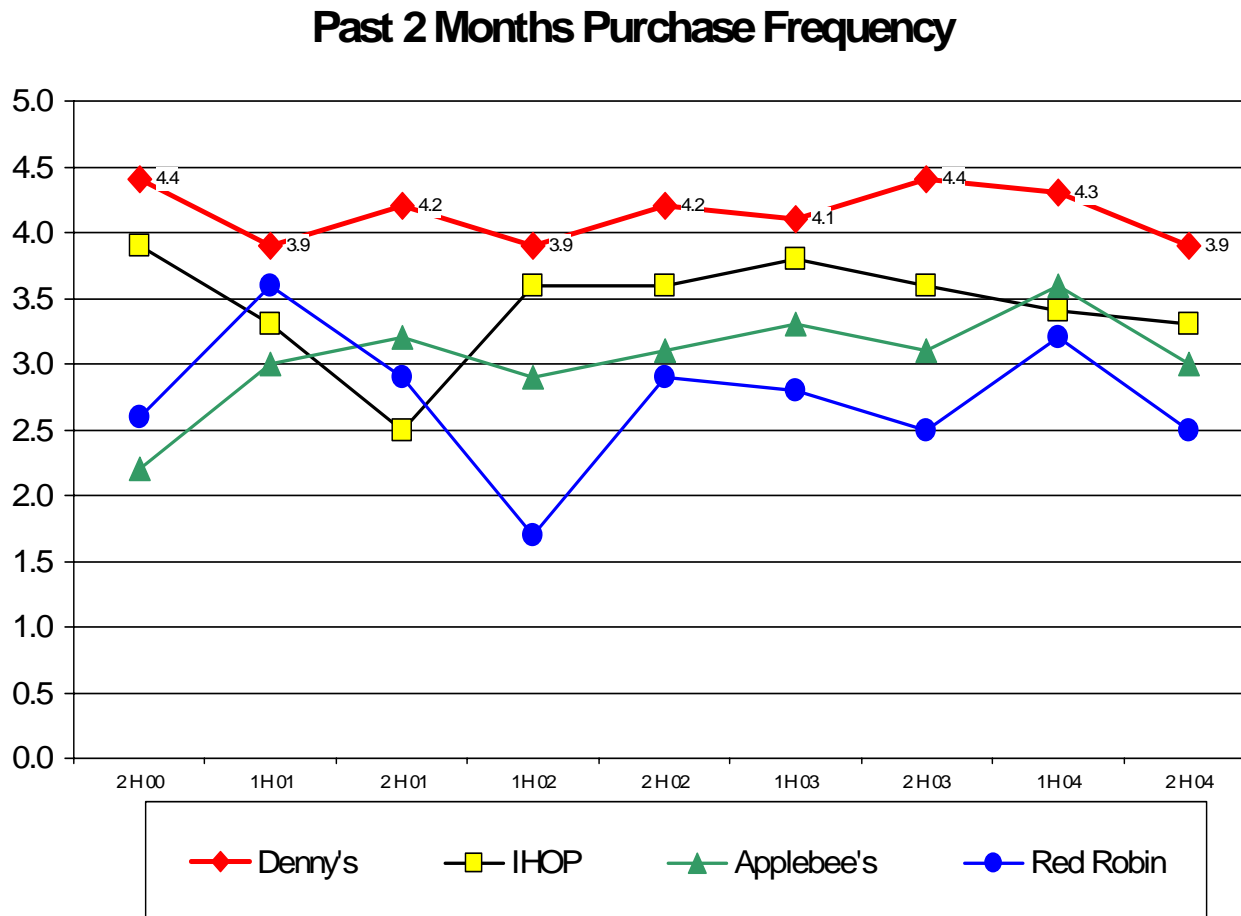
Past 2 Months Purchase Levels



- Past 2 month purchase/usage level monitors the breadth of a chain's customer base, or how many FDR users are visiting the chain on a past 2 month basis.
- This chart shows trend over time for a set of competitors.



Past 2 Month Purchase Frequency

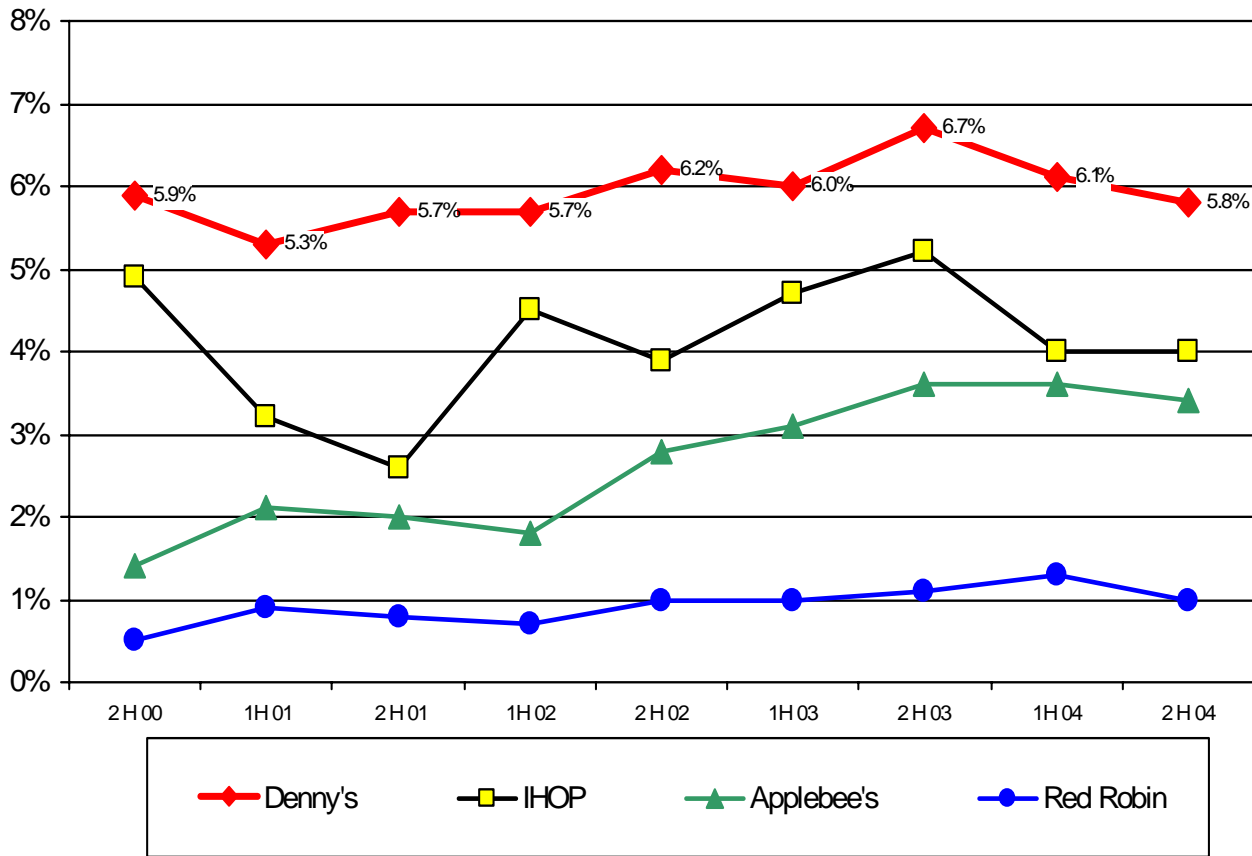


■ Past 2 month purchase frequency is an indication of customer loyalty.



Share of Occasions

Share of Past 2 Months Purchases

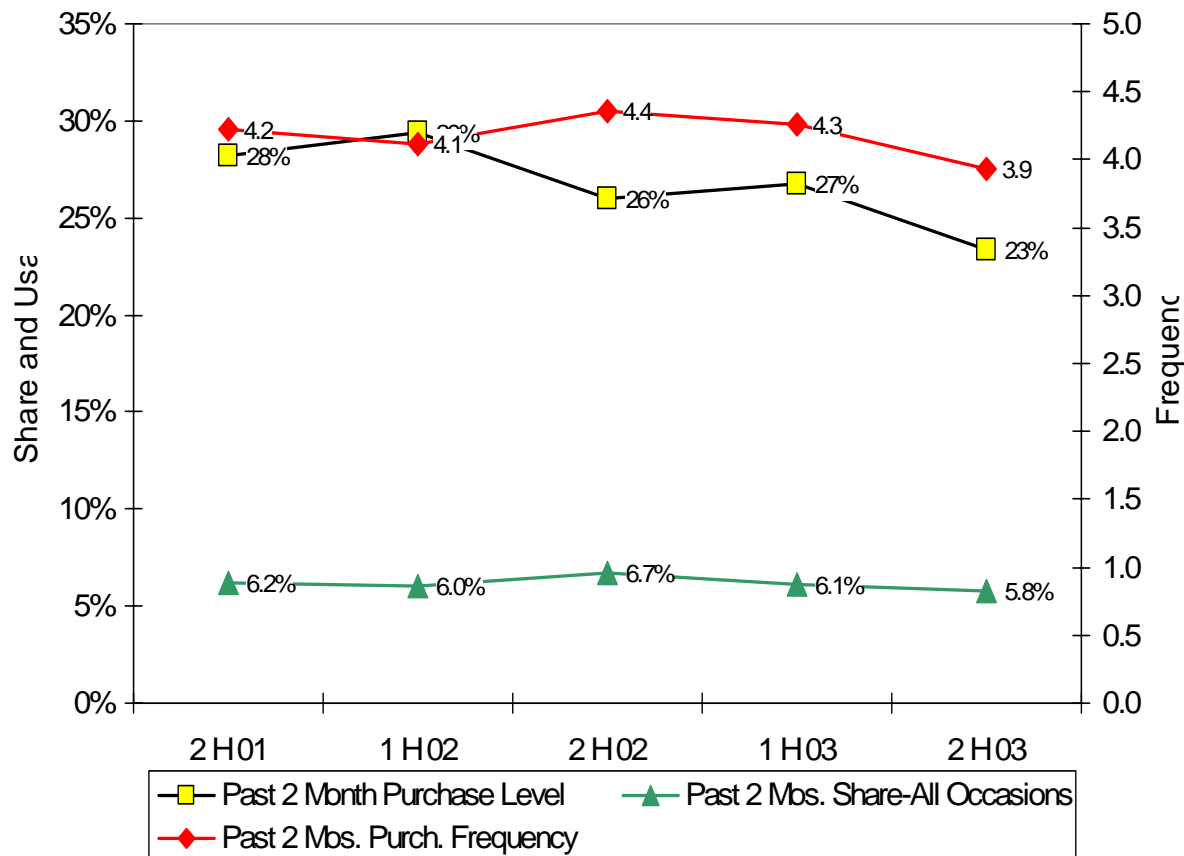


- Share of occasions is a primary indicator of marketing success.
- This information can also be sliced by chain to show what other chains your users patronize.



Share/Usage/Frequency Trend Analysis

CHAIN'S Share/Usage/Frequency Trend Analysis

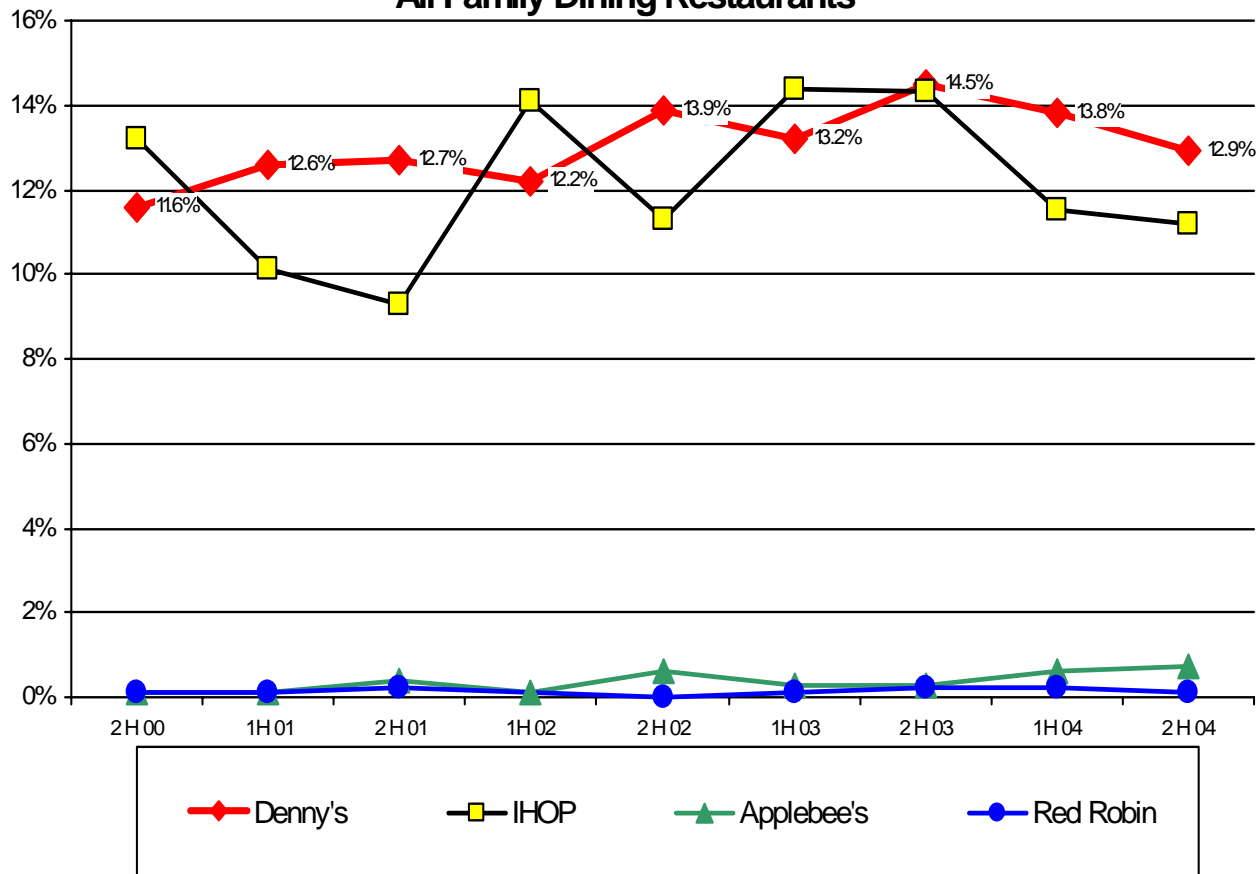


- Family-Track reports include charts that show how market penetration (past month usage) and customer loyalty (frequency) impact share.
- Other charts compare awareness levels and share.



Share of Daypart Occasions

Share of Past 2 Mos. Occasions - Breakfast -
All Family Dining Restaurants

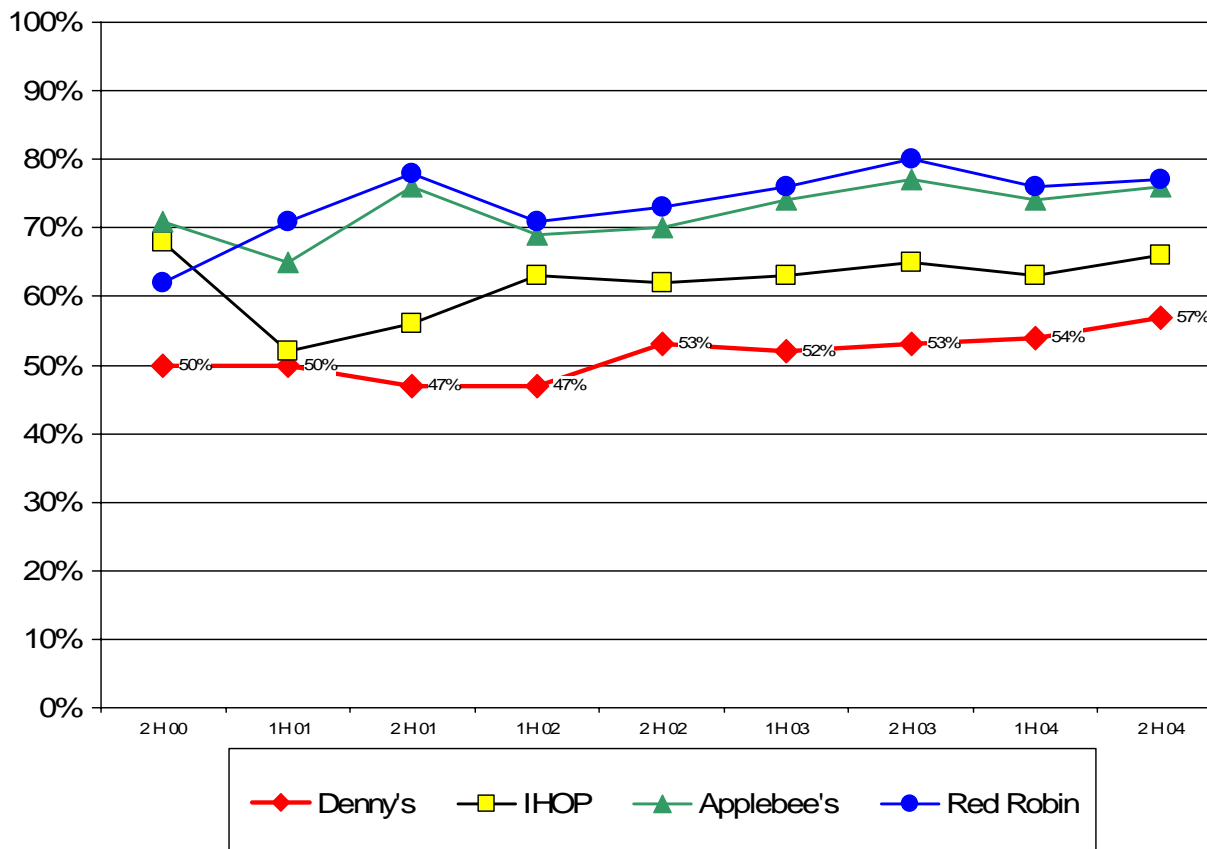


- Share is provided by daypart for All FDR Users. Dayparts are Breakfast, Lunch, Dinner and Snacks.



Customer Satisfaction

Rating of Last Occasion (Excellent/Very Good-Net)



- The rating of the last occasion is collected among past 6 month users of each monitored chain. The rating is based on a 5-point scale, from poor to excellent.
- This chart reports the top 2 box results (those rating the chain excellent and very good), an indication of overall satisfaction.



Relative Ratings

	Denny's	IHOP	Applebee's
Sample Size	[833]	[733]	[124]
Taste	80	103	<u>120</u>
Freshness	83	101	<u>118</u>
Portion size	93	104	104
Variety	100	98	101
Healthiness	83	90	<u>132</u>
Friendliness	85	102	<u>114</u>
Attentiveness	80	98	<u>126</u>
Cleanliness	85	92	<u>127</u>
Décor/Atmosphere	75	88	<u>147</u>
Reasonable prices	104	97	99
Value	98	101	100
Kid appeal	96	<u>106</u>	99

- Relative ratings provide an overview of competitive strengths and weaknesses.
- Each chain's ratings are indexed to the average of the other chains in the competitive set.
- Family-Track includes trended information on the 12 key attributes.

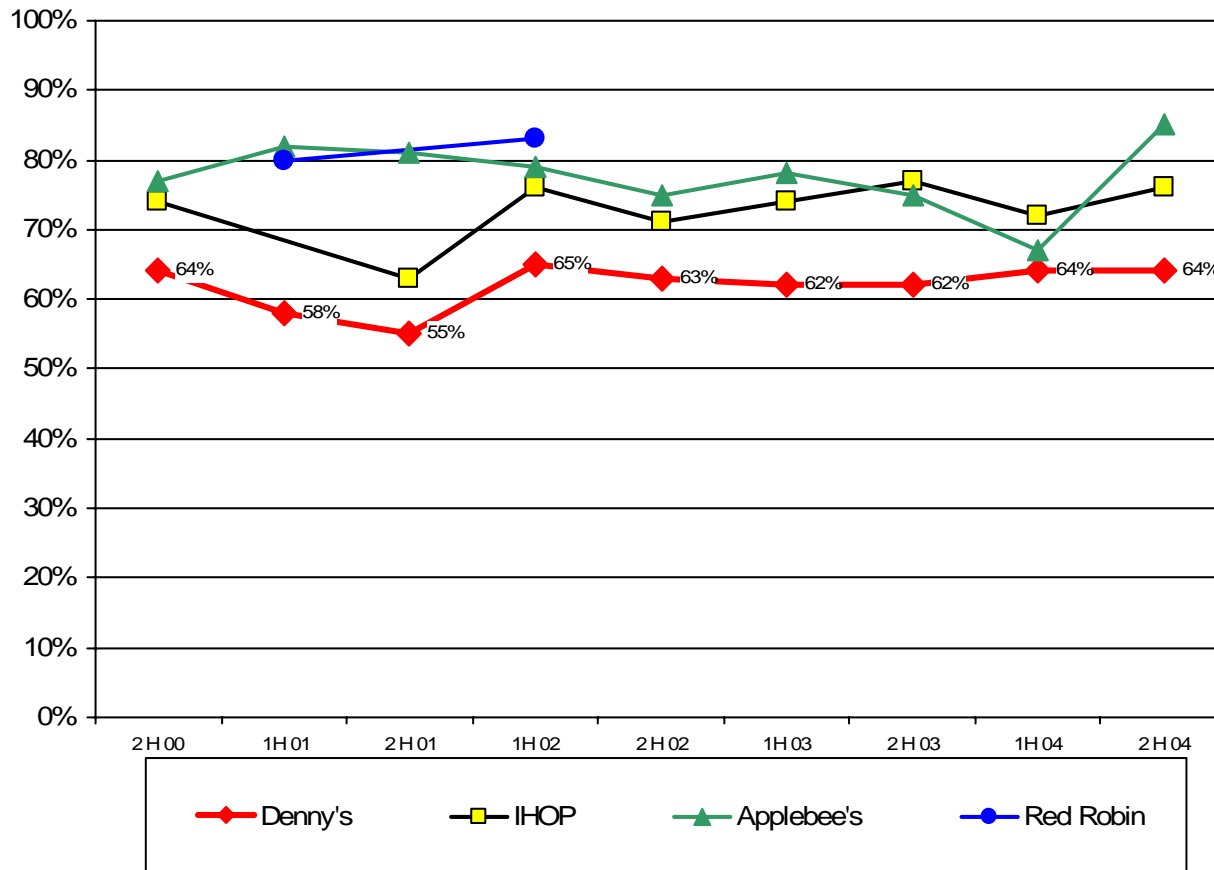
Above Average

Below Average



Attribute Rating Trends

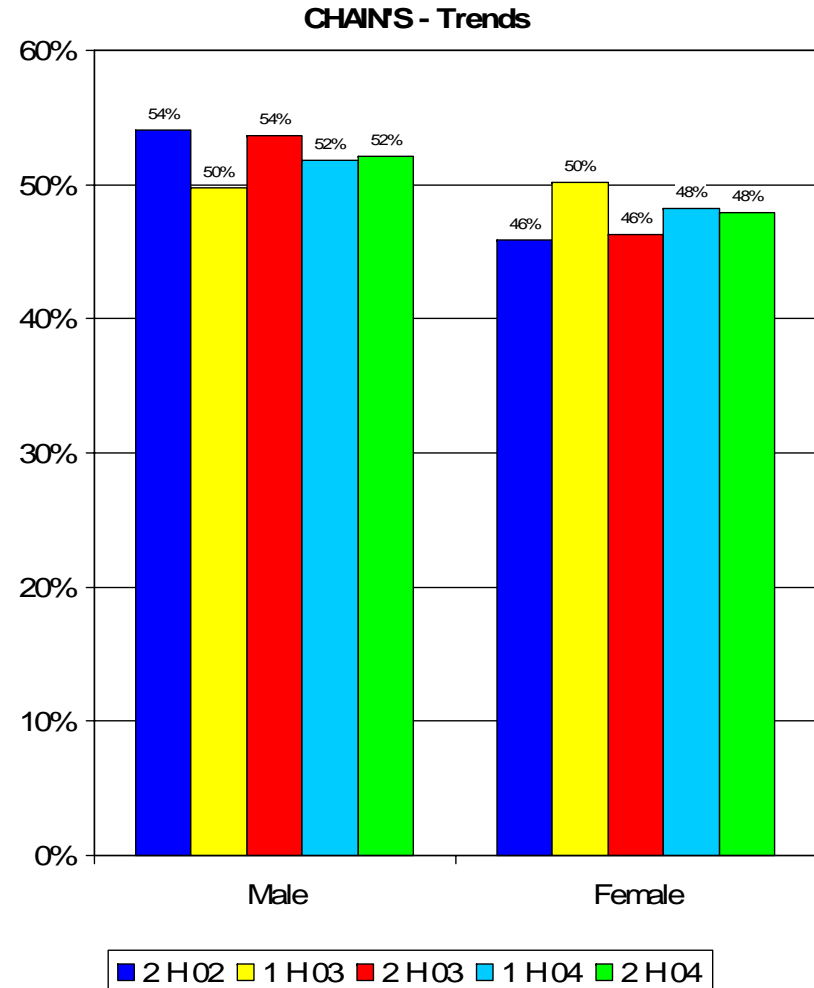
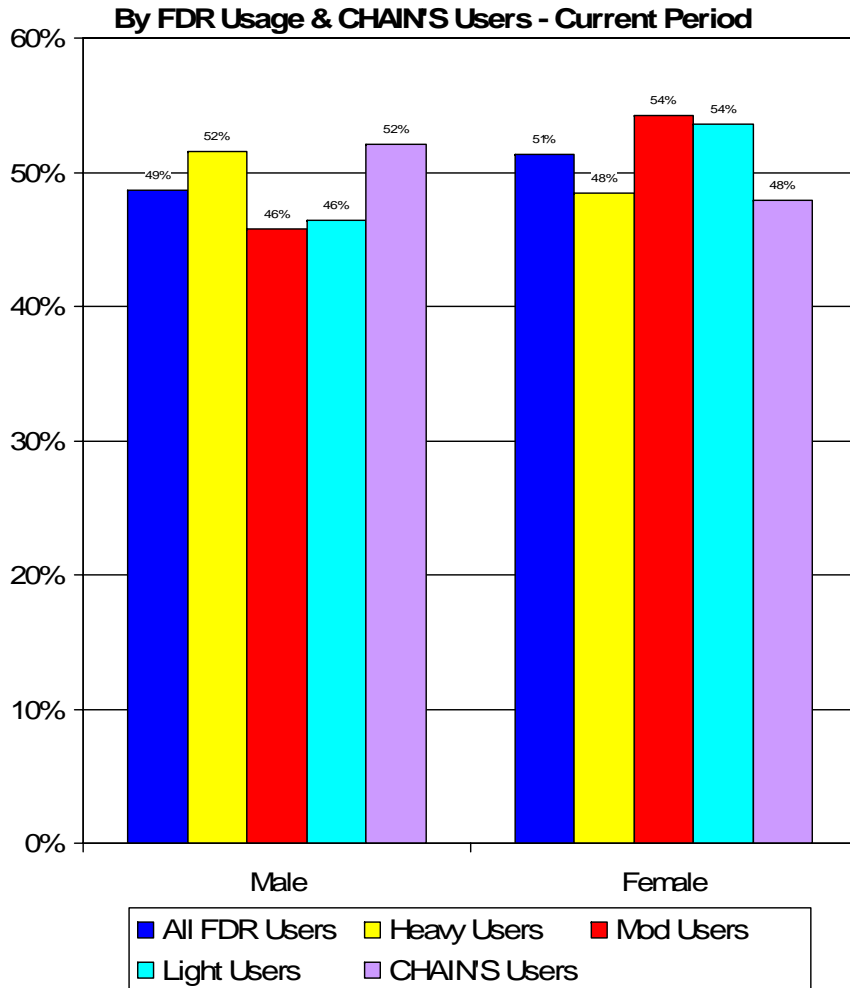
Taste or Flavor of Food (Excellent/Very Good-Net)



- Attribute ratings are trended over time. Tables and graphs can also show ratings of excellent, very good, good, fair or poor.

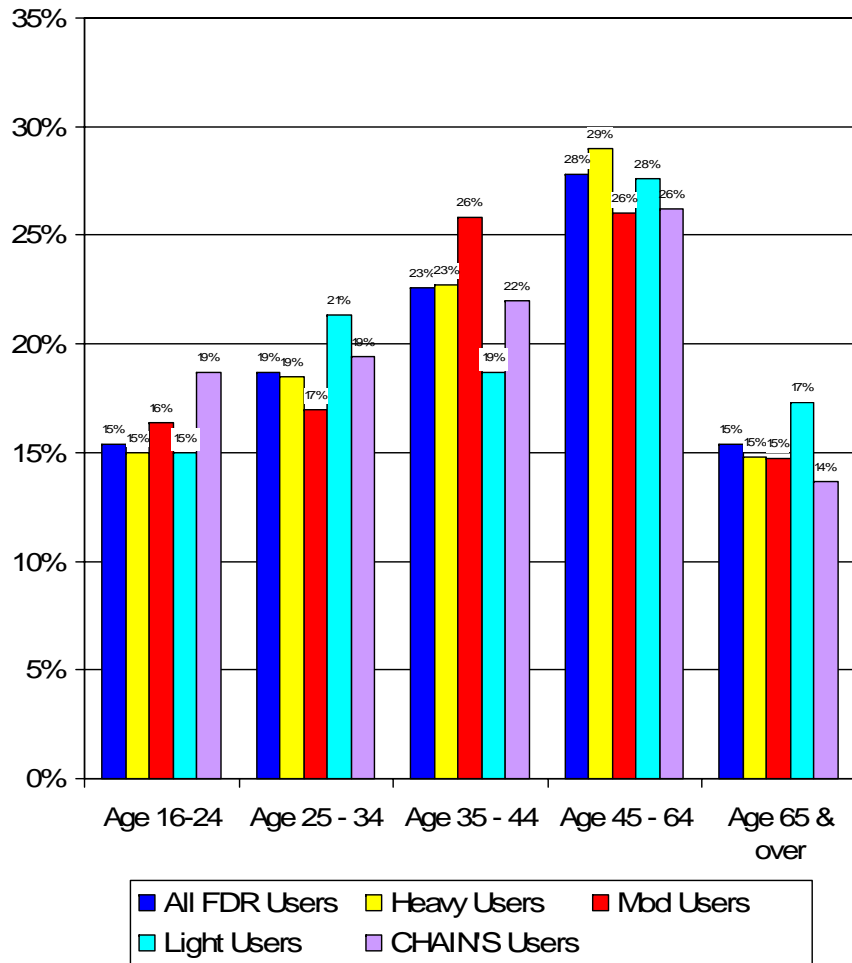


Gender

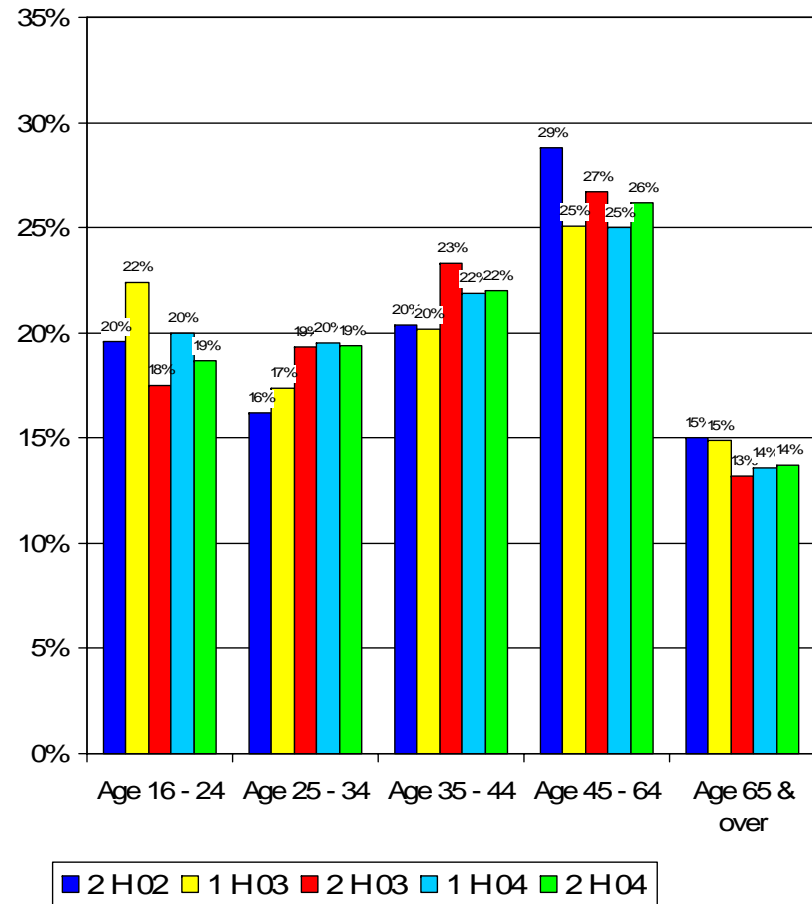


Age

By FDR Usage & CHAINS Users - Current Period

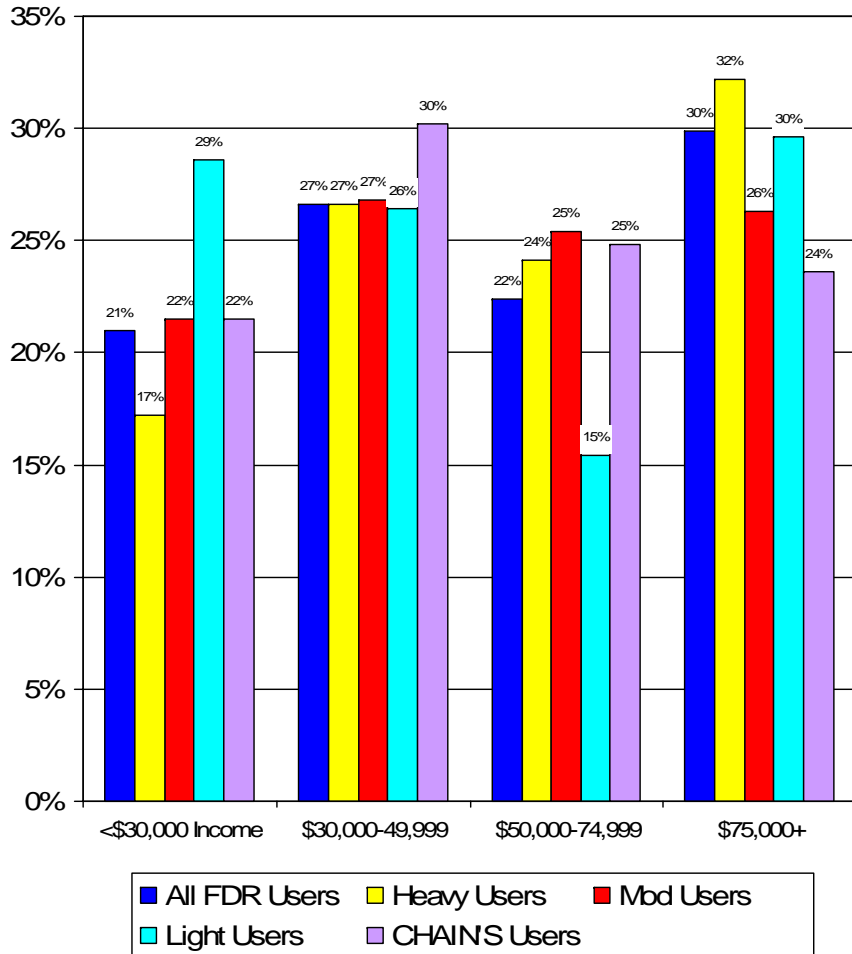


CHAINS - Trends

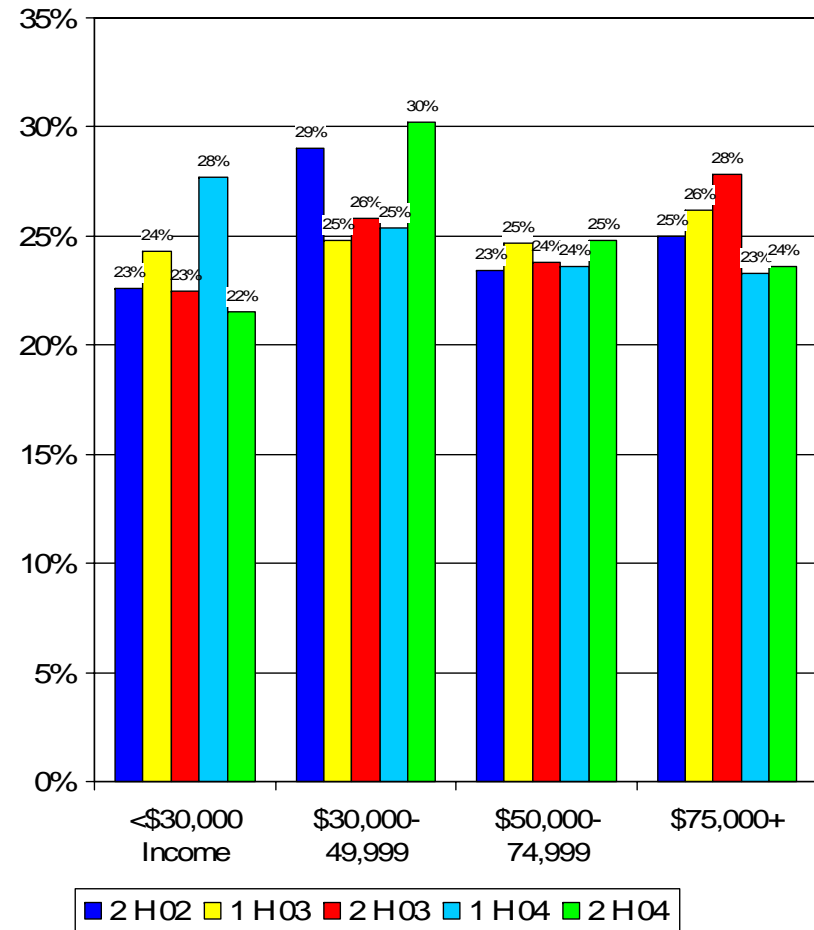


Household Income

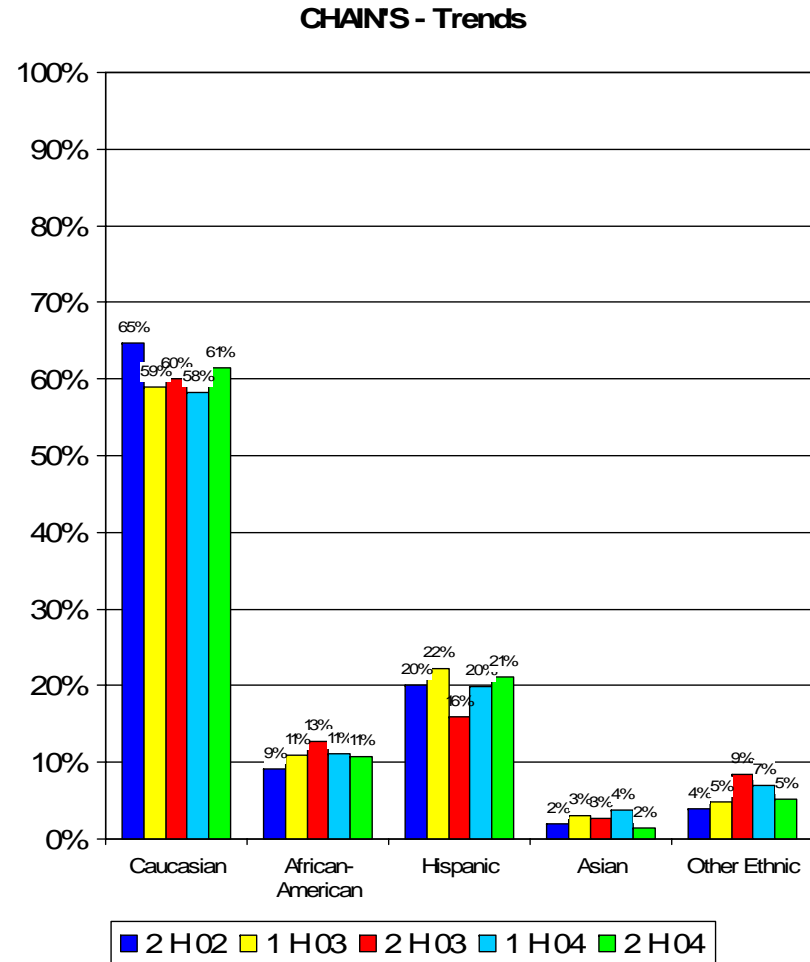
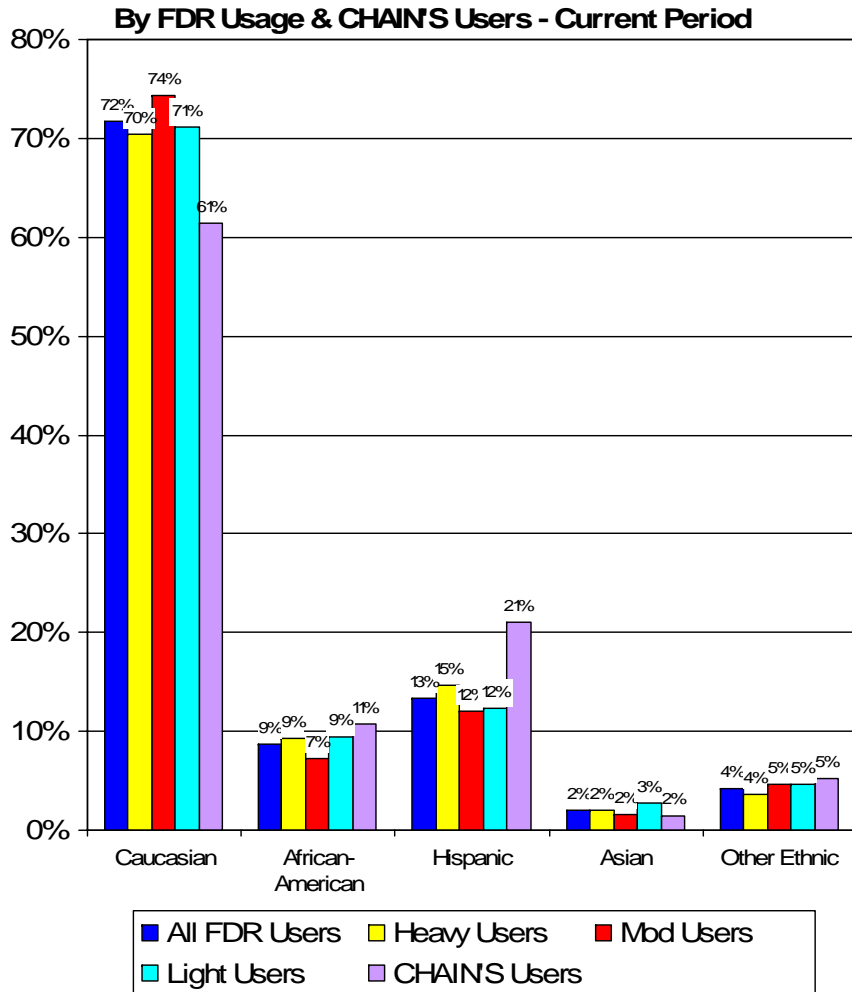
By FDR Usage & CHAINS Users - Current Period



CHAINS - Trends

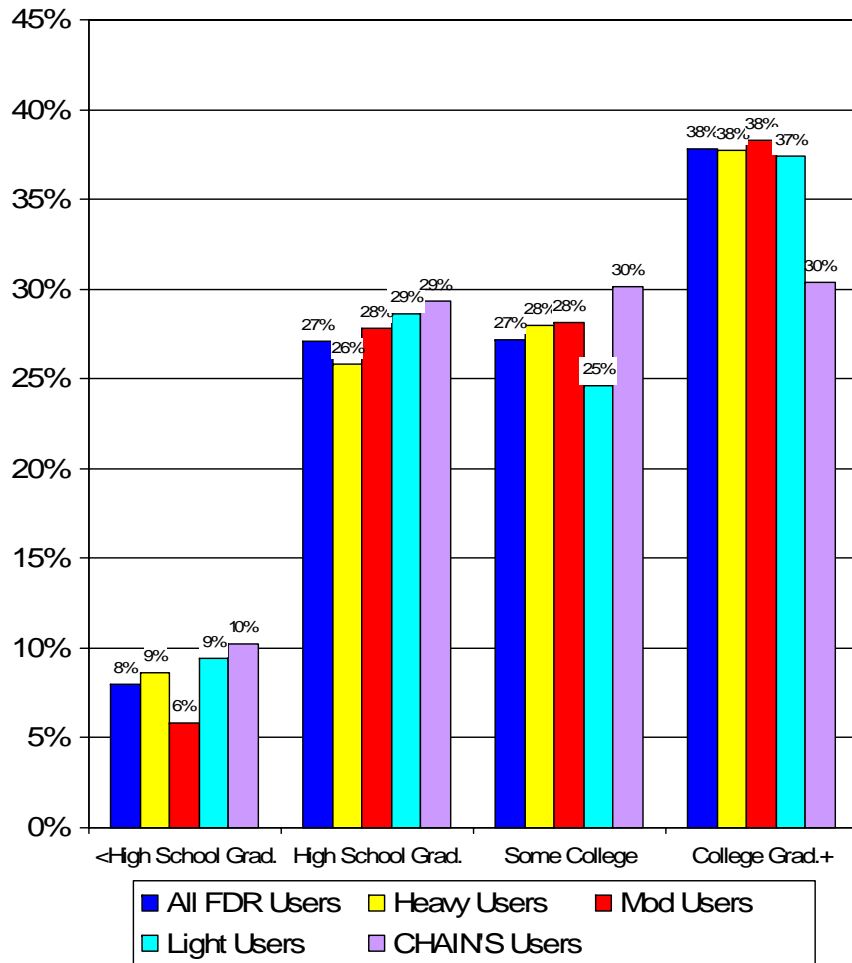


Ethnicity

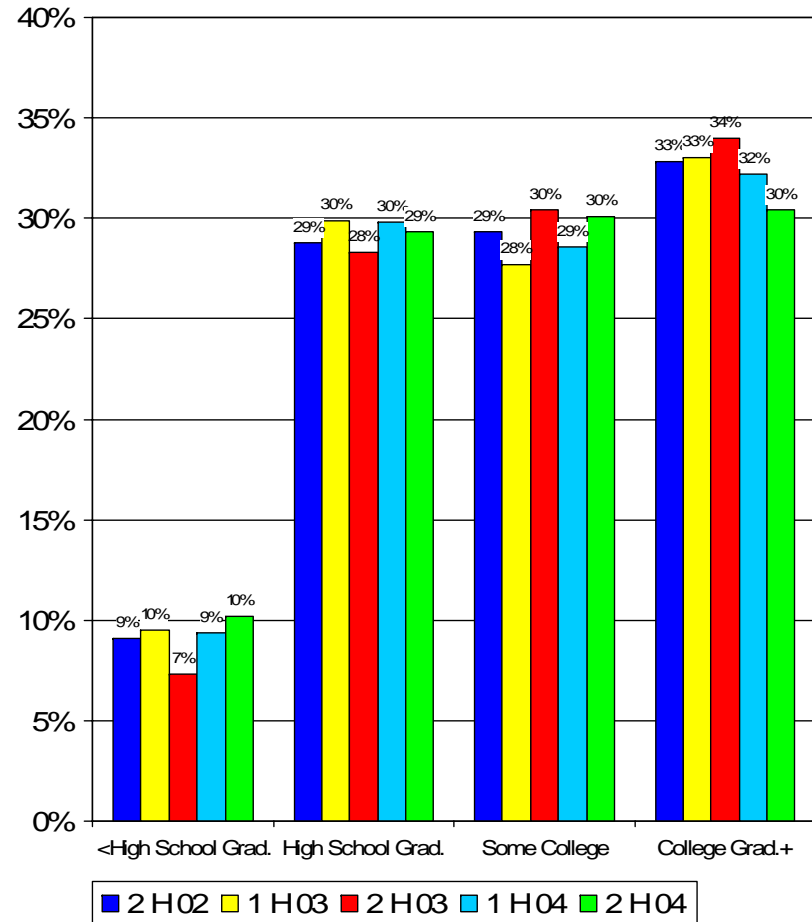


Education

By FDR Usage & CHAINS Users - Current Period



CHAINS - Trends



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