



Syndicated Tracking Study for Quick Service Restaurants

Presented by: SANDELMAN
EDGE .COM

Executive Report
Quick-Track Sample

Fielded Oct - Dec 2010

Benefits of using Quick-Track

- The Quick-Track[®] attitude, awareness and usage study helps quick-service, fast-casual and pizza restaurant chains identify marketing and operations opportunities at the market level.
 - Deep dive by market, where most marketing dollars are spent
 - Learn what and who is driving change in your market(s)
 - Fielded in 80-100 U.S. media markets a year
 - Spanish-language Quick-Track conducted in several markets
 - Core measures included for as many as 35 chains per market
 - Reports include 3 years' trend data
 - Complimentary online database to further analyze findings



More benefits of using Quick-Track

- Quick-Track helps restaurant brands to answer questions like these:
 - Where are your brand's users going when not going to your restaurants?
 - Who is seeing your advertising and who's not?
 - How is your brand positioned?
 - Is your chain's piece of the pie getting larger or smaller?
 - How does your brand compete for heavy category users?
 - Is your brand retaining key demographic groups?



Market report

- This “sample report” provides actual data for a select U.S. media market.
- Fielded from Oct. 1, 2010 - Dec. 31, 2010.
- Clients order attribute ratings by chain.
- For a small fee, written analysis includes an executive summary, plus bulleted insights and implications.



Methodology

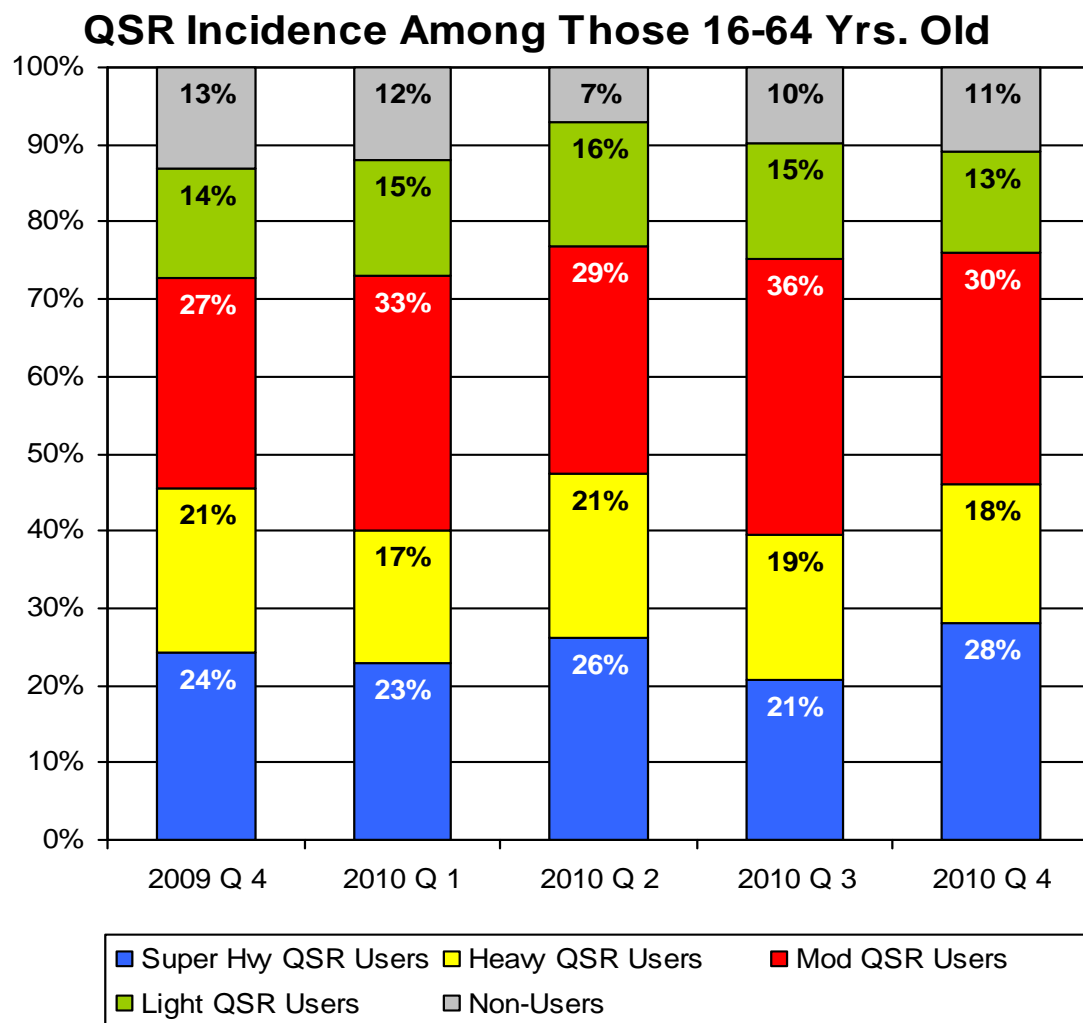
- Quick-Track[®] is a syndicated, quantitative research study that tracks key consumer behavioral and attitudinal measures for all major fast-food and pizza chains in individual markets.
- Data is collected from 400 respondents via telephone and Internet interviews conducted on a continuous basis throughout the quarter. Respondents are selected via a computer-generated random sample of listed and unlisted telephone numbers within the DMA and Internet respondents are invited to participate in the study from a panel of over 5 million Internet users.
- Spanish-language Quick-Track is fielded entirely in Spanish by telephone with 400 respondents per 13-week period. Acculturation is reported.
- Respondents are males and females, between the ages of 16 and 64, who purchase food from fast-food and pizza restaurants at least once in a typical month. The data is weighted slightly to reflect the proper distribution of the population by gender and age in the DMA.
- Respondents rate selected chains on 16 key attributes that define a chain's overall image -- quality, service, facilities, and value.
- Fieldwork is performed by Harmon Research Inc. from its central telephone facilities.



CATEGORY CONDITIONS



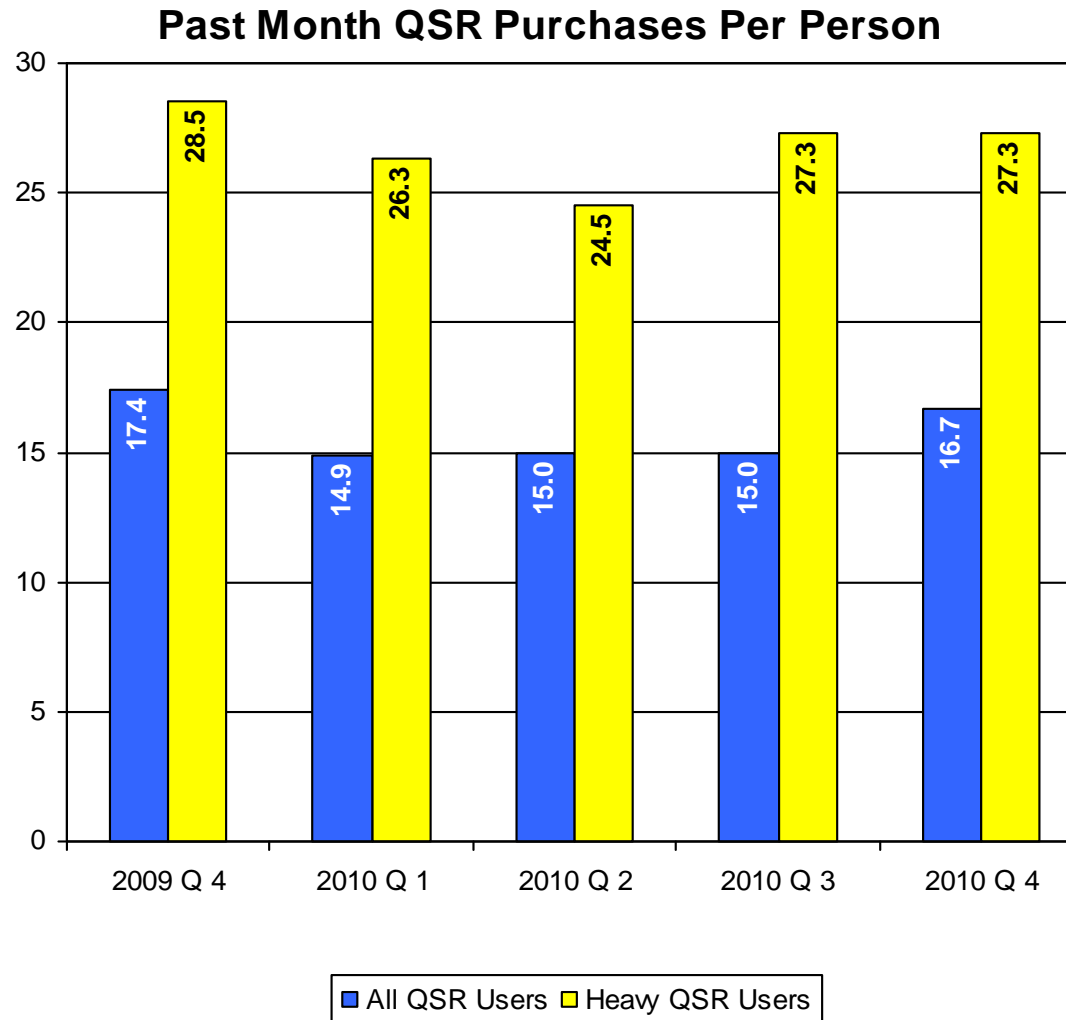
Category incidence



- Reports begin with an examination of the QSR category overall.
- This chart shows the incidence of superheavy, heavy, moderate and light QSR users in this market.
- Superheavy users enjoy 20+ occasions/month. Heavy 12-19, moderate 4-11, light 1-3.



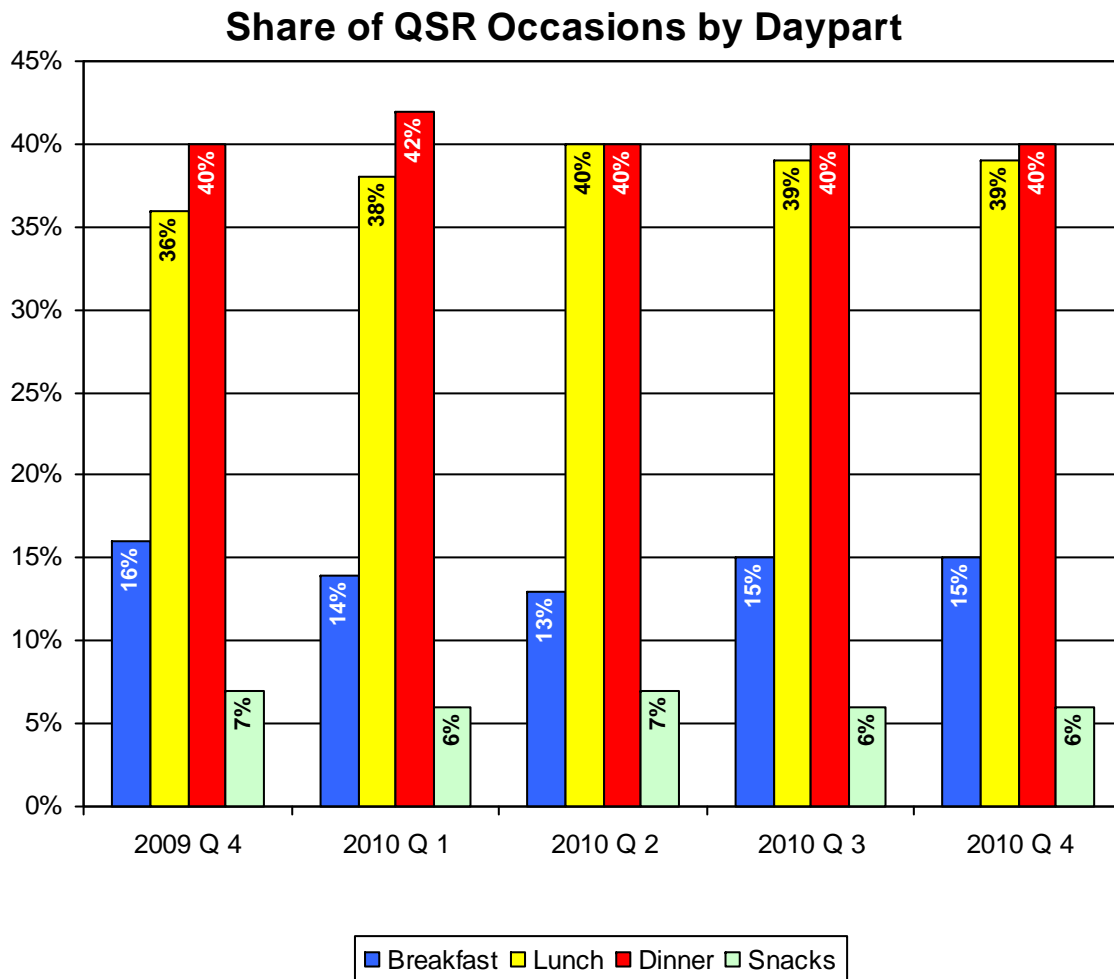
Category average frequency



- QSR purchases per person provides an indication of the vitality of the category by market and quarter.
- Total past-month occasions per person are provided here for all and heavy fast-food users.



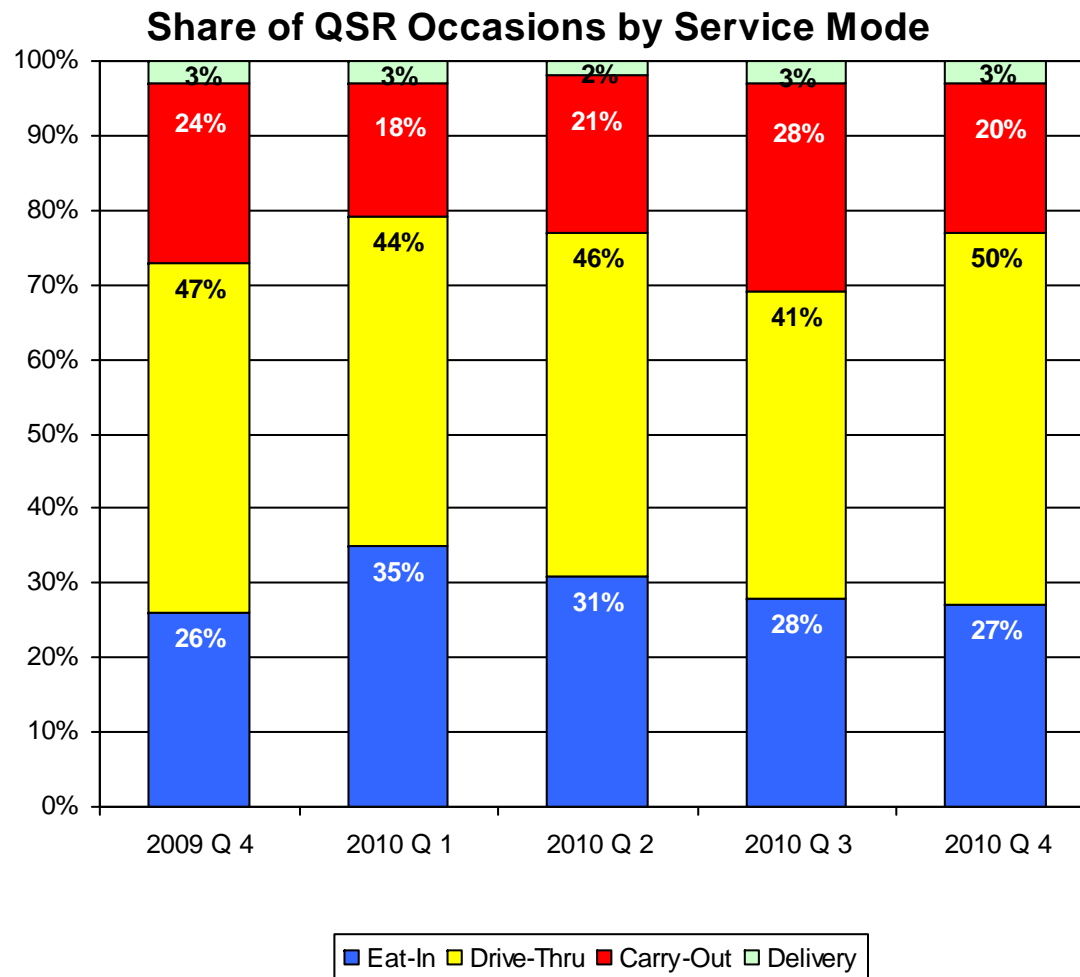
Share by daypart



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



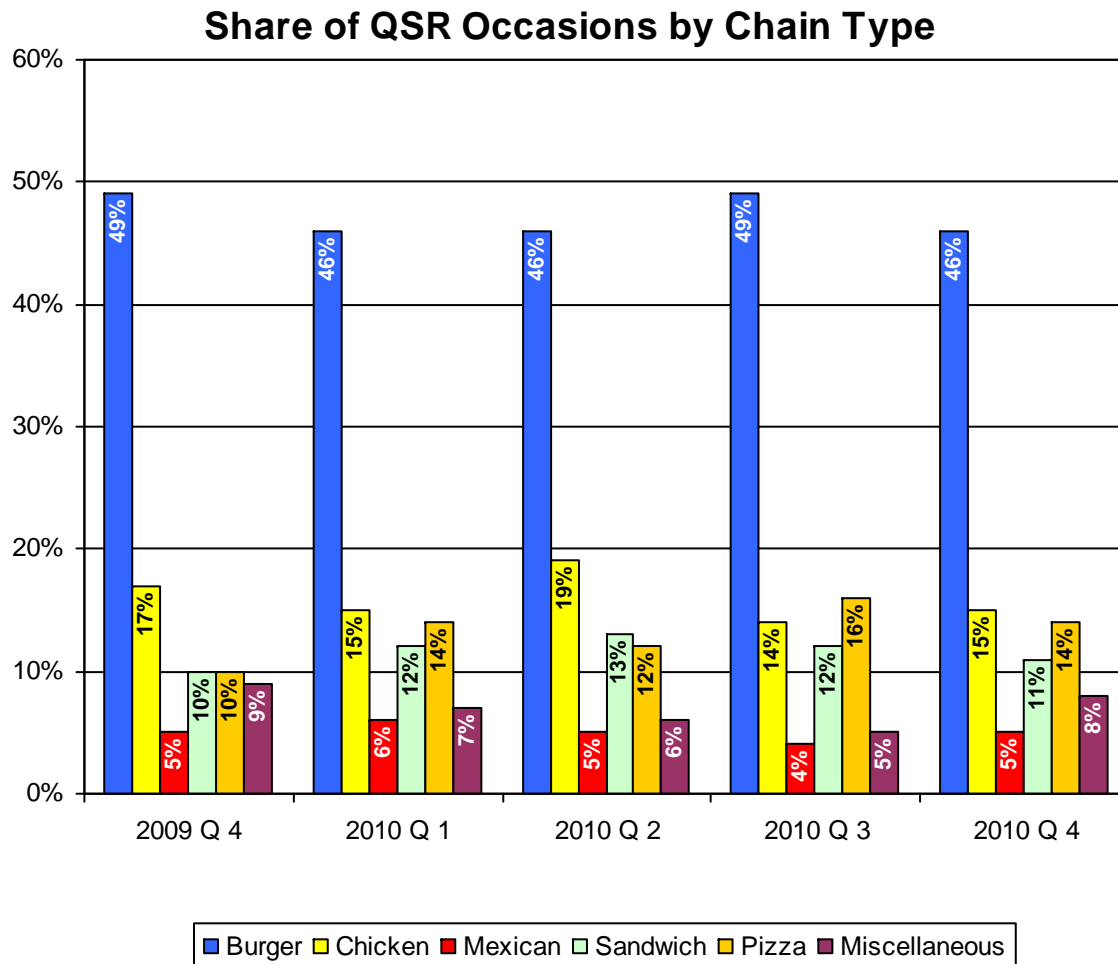
Share by service mode



- Total QSR occasions are sliced and trended by service mode. Additionally, this information can be filtered by chain type or demographic segment on our relational database.



Share by chain type



- Data is also provided by chain type so you can monitor shifts in consumer usage of the Burger, Chicken, Mexican, Sandwich, Pizza and Misc. chain segments.

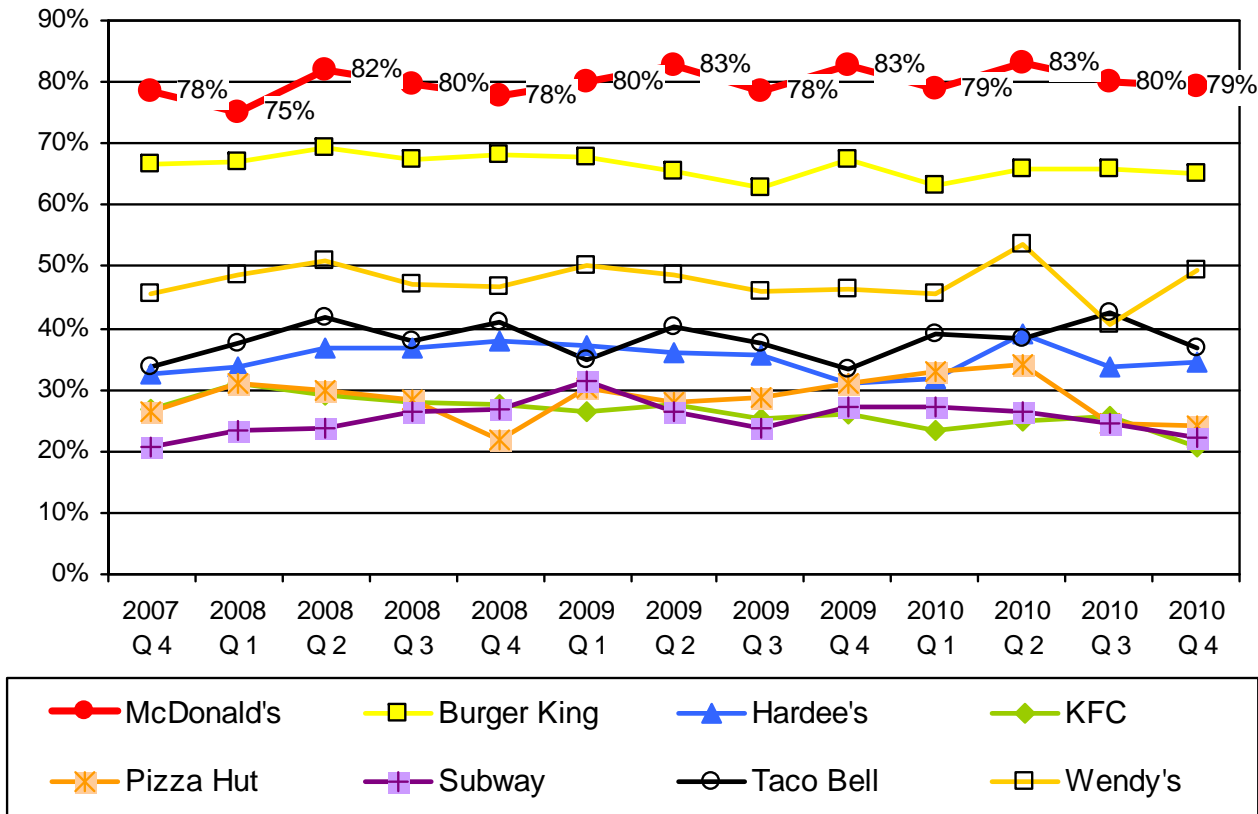


AWARENESS AND USAGE



Consideration

Unaided Brand Awareness



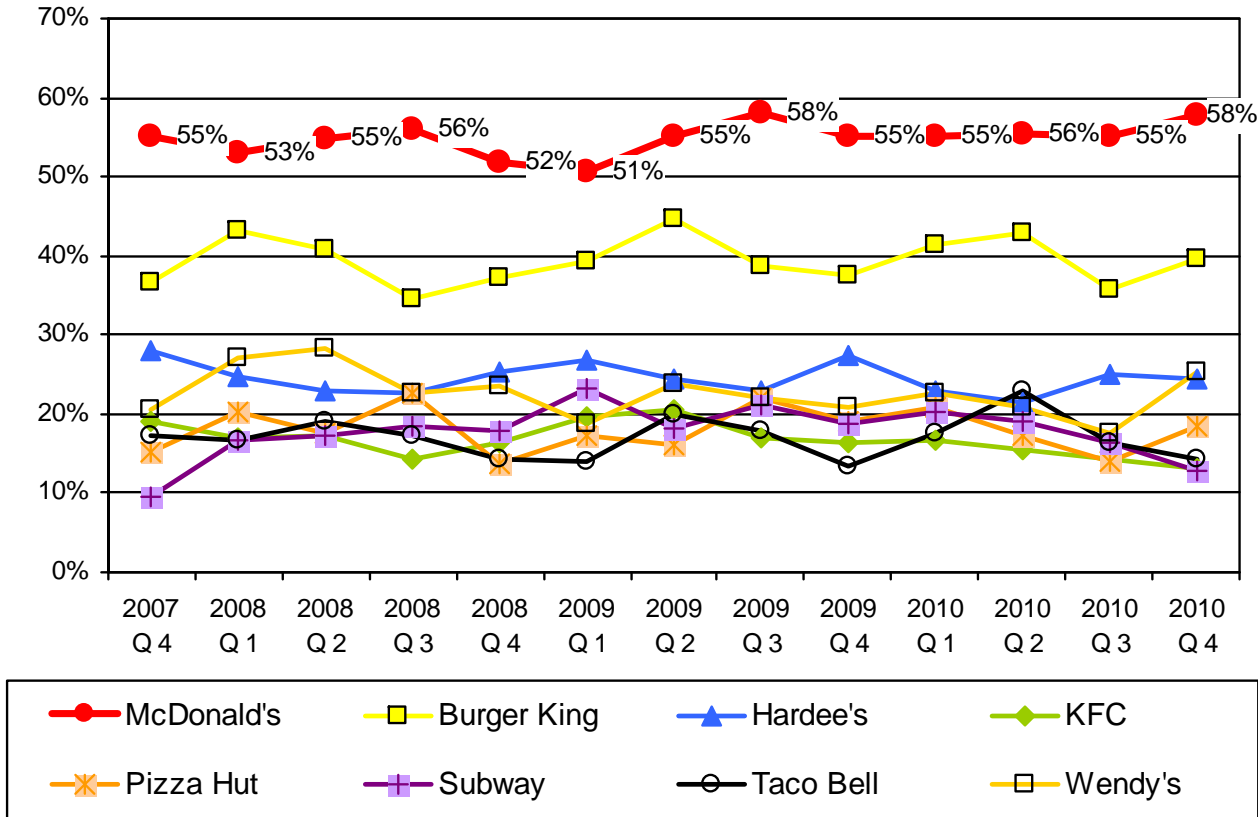
- Key awareness and usage measures are reported by chain over time. You can select which chains are charted. Subscribers have access to all key awareness, usage, share and demographic data for all 25-35 chains monitored in each market.
- This information can be filtered by demographic and usage groups at SandelmanEdge.com.



Unaided ad awareness

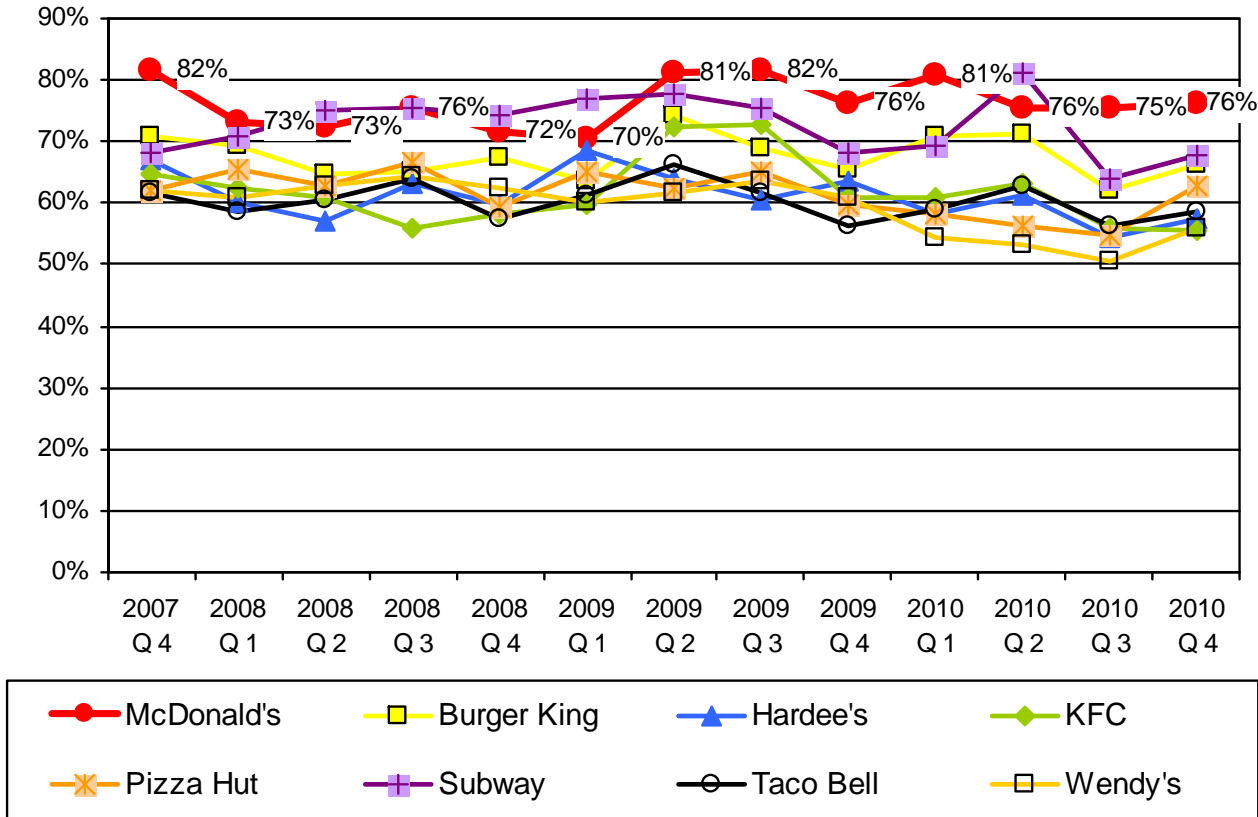
Unaided Advertising Awareness

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



Advertising reach

Total Advertising Awareness

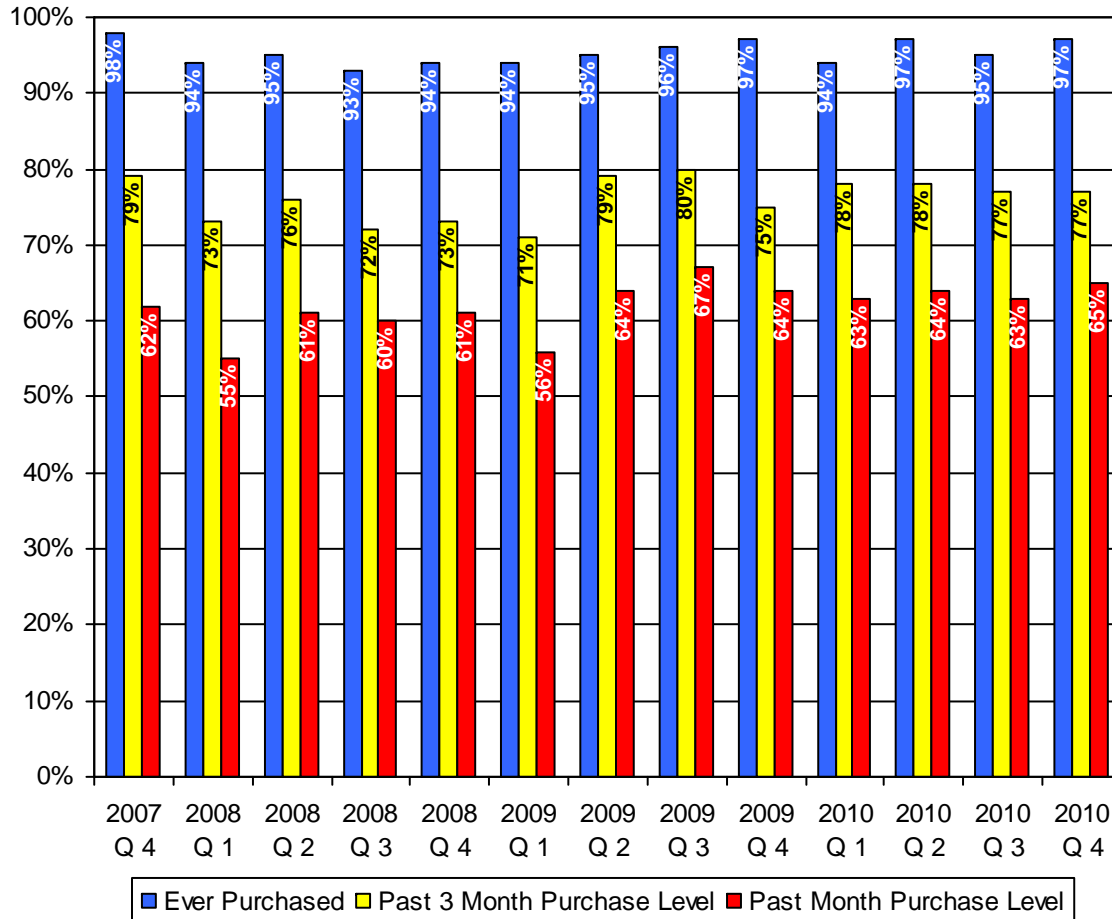


- Quick-Track provides information on unaided and total brand and advertising awareness for up to 35 chains in each market.
- Total advertising awareness tends to measure media spending and share of voice. A strong, relevant message can also drive increases in this measure.



Usage and retention levels

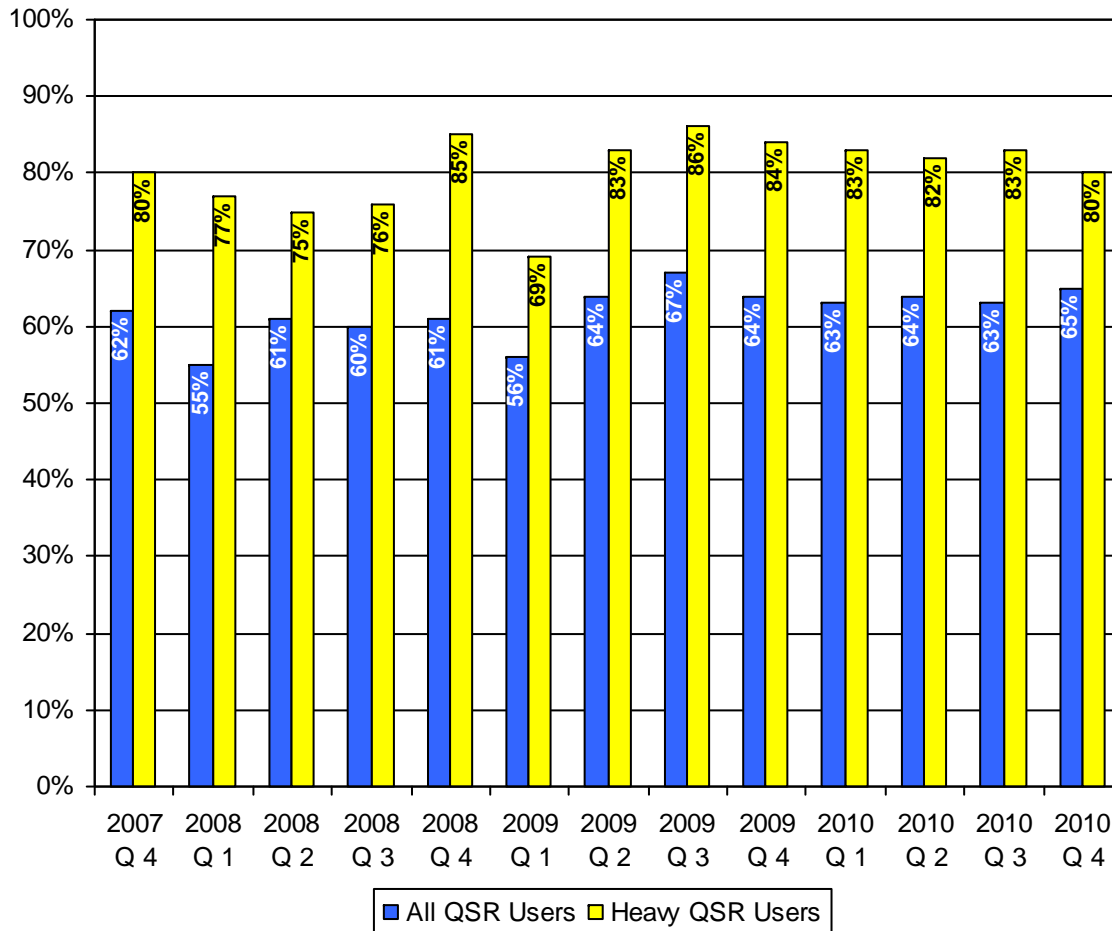
McDonald's Purchase Levels



- Purchase levels include trial (ever purchased), past-3-month and past-month usage.
- This chart illustrates customer retention levels over time.



McDonald's Past Month Purchase Levels

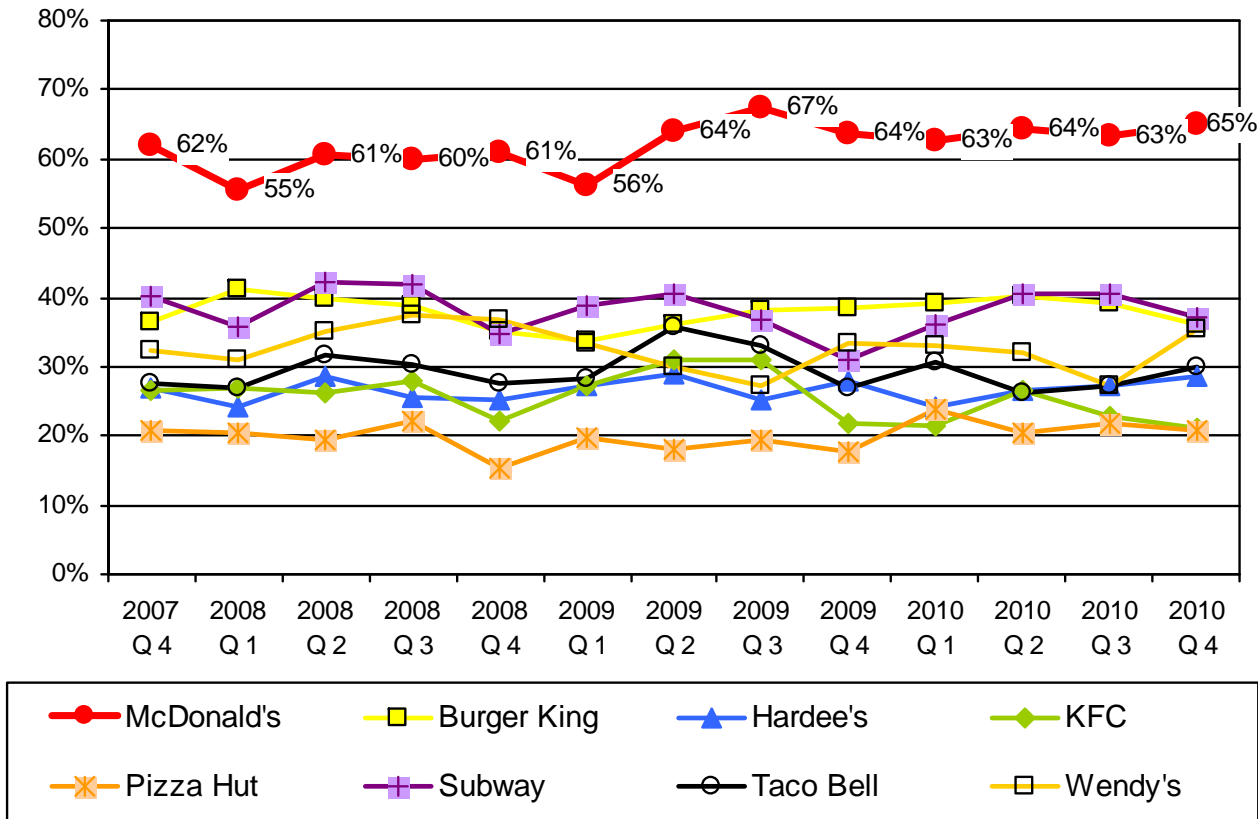


- Key information is charted for heavy QSR users to show how chains are performing with this important segment.



Past-month usage

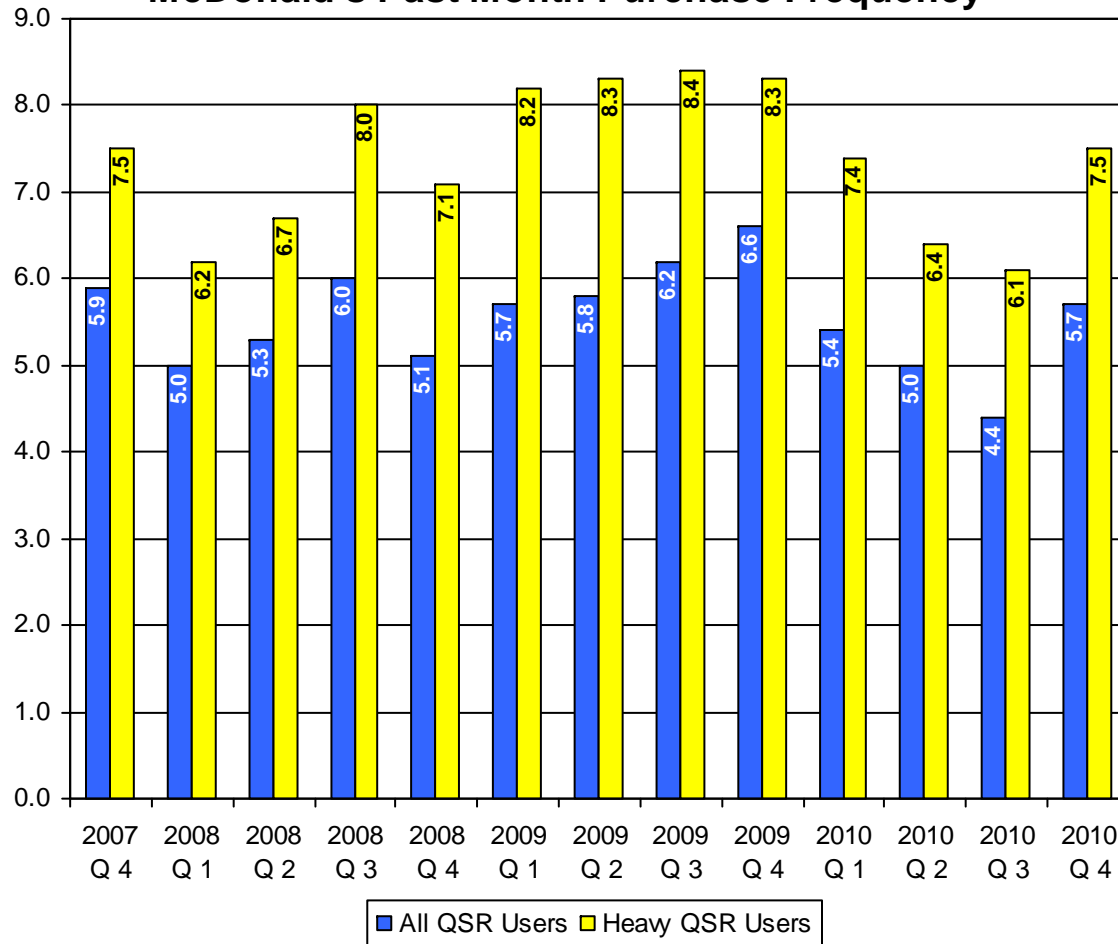
Past Month Purchase Levels



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



McDonald's Past Month Purchase Frequency

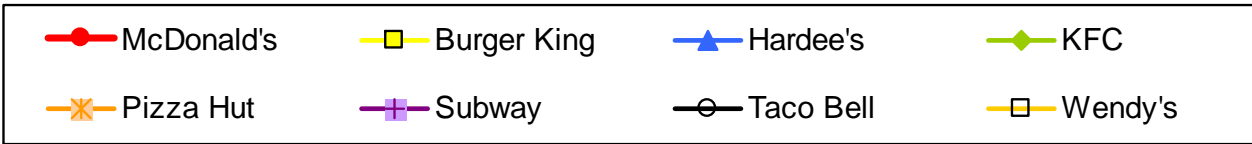
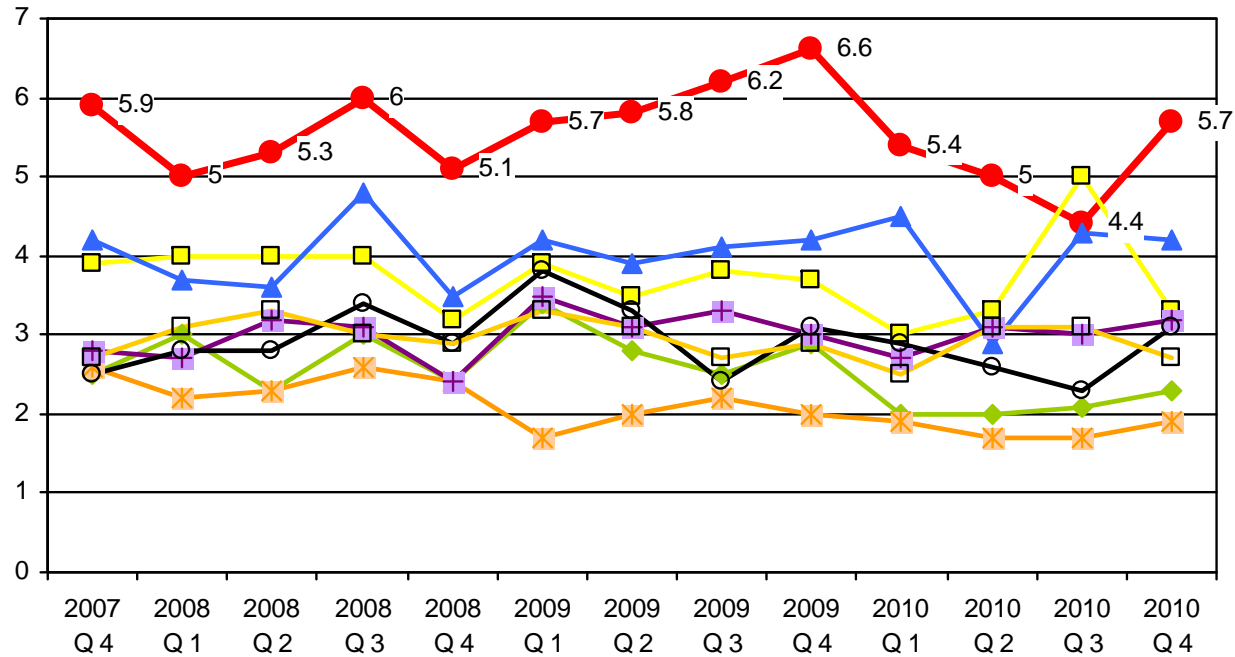


- Past-month purchase frequency is an indication of customer loyalty.



Frequency among past-month users

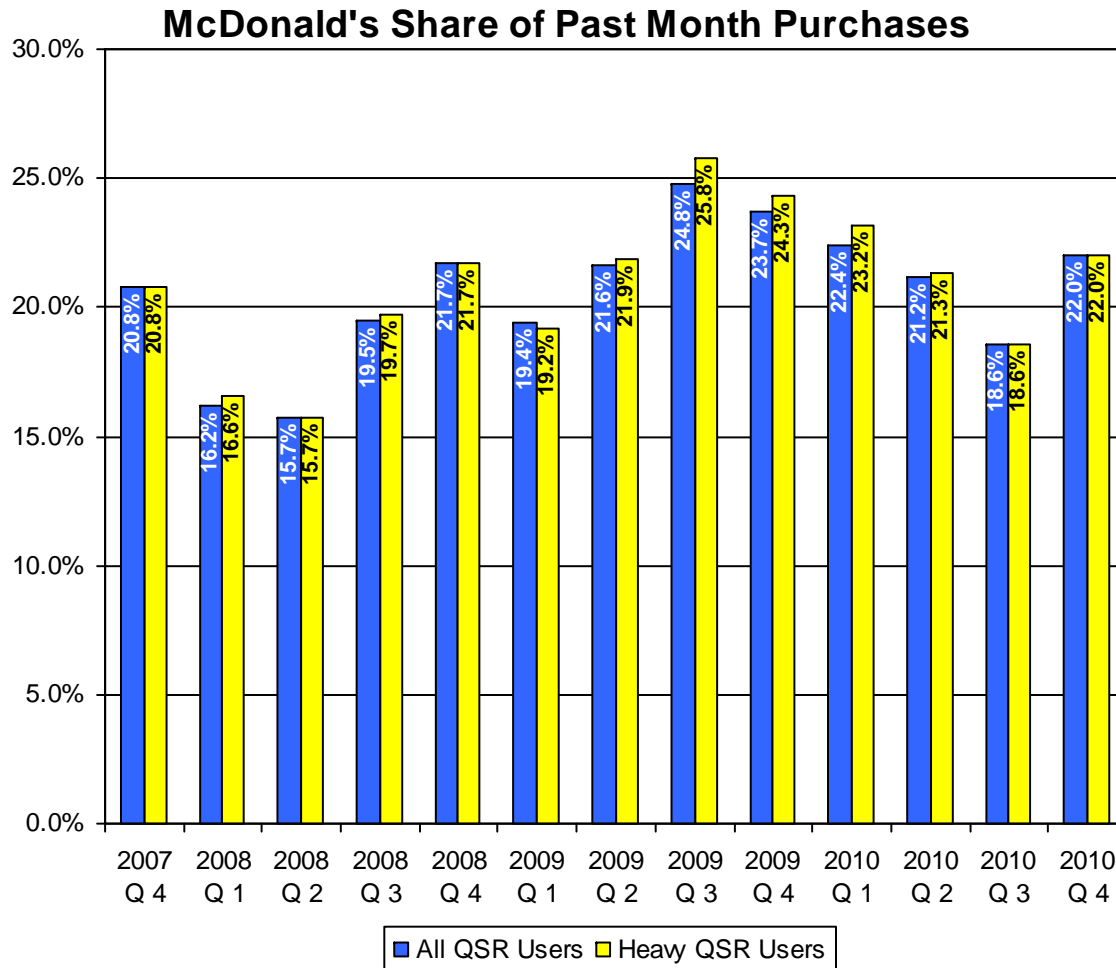
Past Month Purchase Frequency



SHARE OF OCCASIONS



Share among all and heavy category users

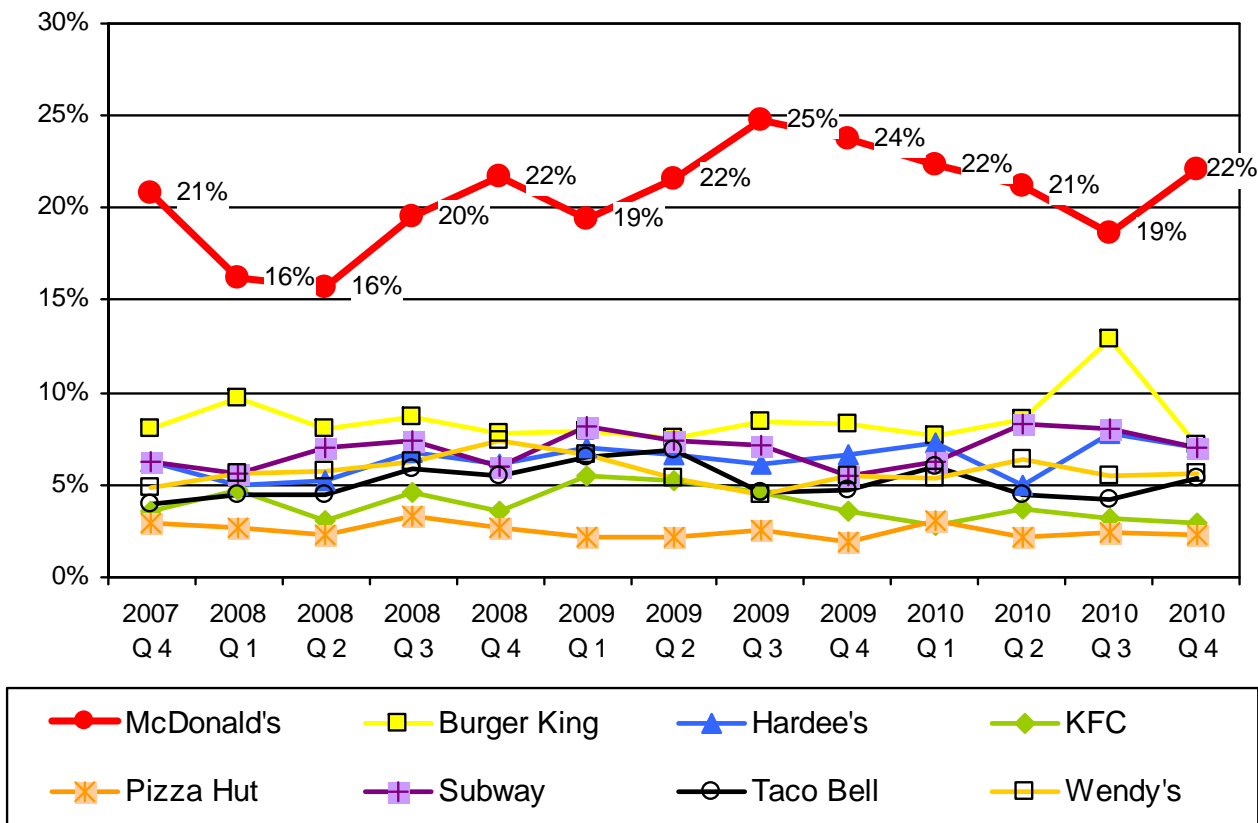


- Quick-Track can report share among “all” and “heavy” category users.
- In this case, McDonald’s enjoys a share of about 22 percent of all fast-food occasions in the market and nearly 22 percent of all heavy user occasions.
- Because heavy category users historically are the lifeblood of a market, it’s vital to garner their business.

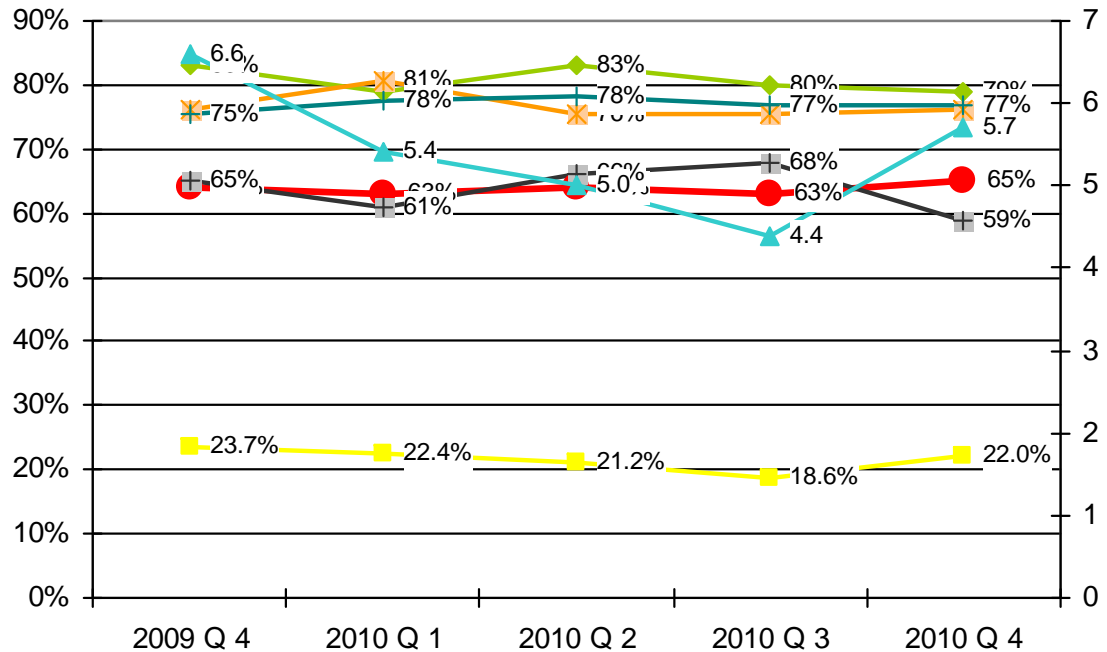


Share of ALL QSR Occasions

- Share of occasions is a primary indicator of marketing success.
- This chart is based on all QSR occasions, but the information also can be provided by chain type to show how chains are performing in their segment.



McDonald's Share Trend Analysis

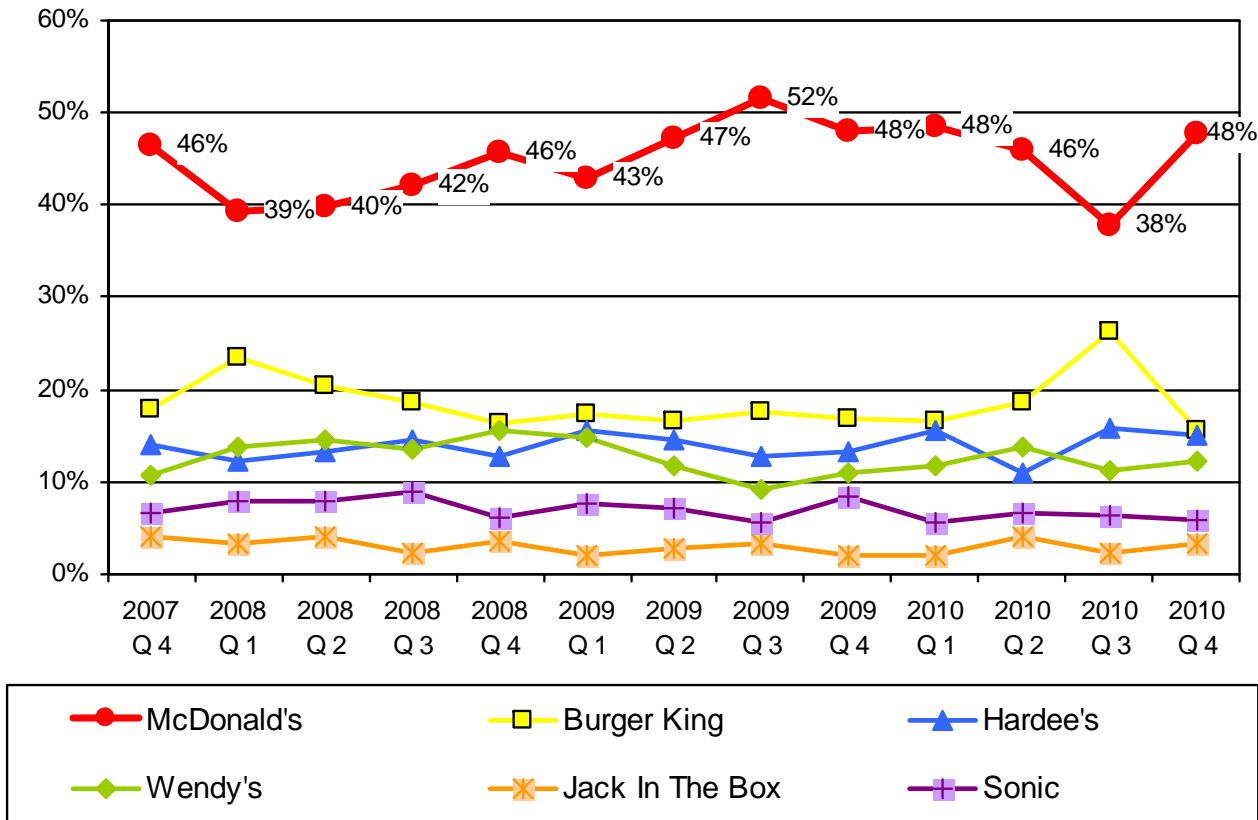


- Quick-Track reports include charts that demonstrate how unaided brand awareness and total ad awareness impact usage and share.



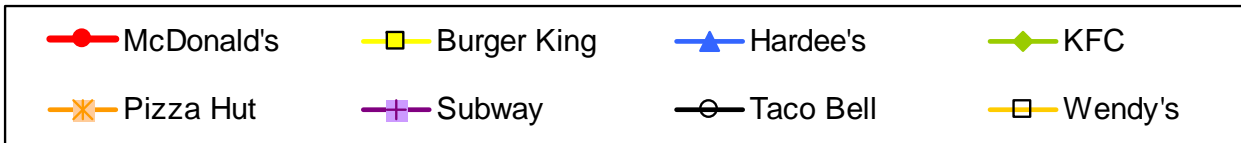
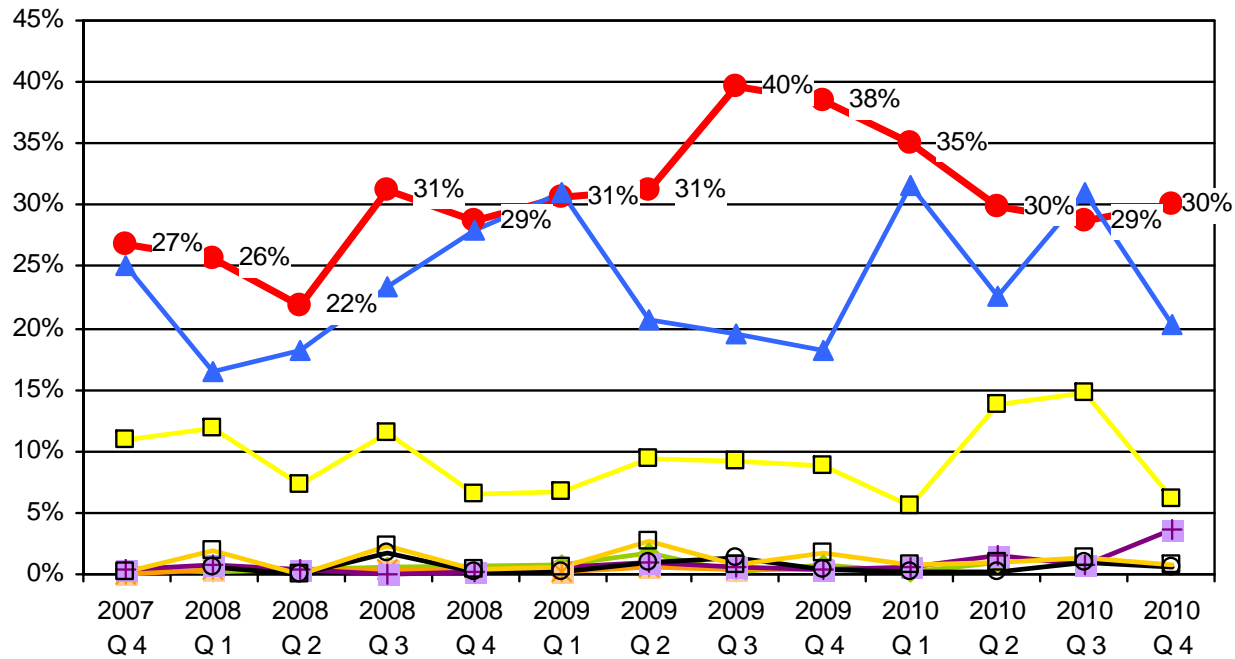
Share of Burger Chain Occasions

- The Quick-Track executive summary includes share among the chain-type competitors in each market.

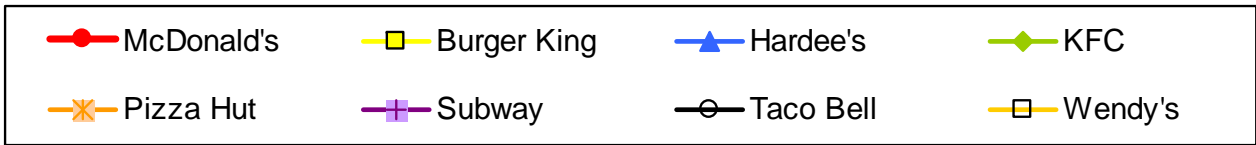
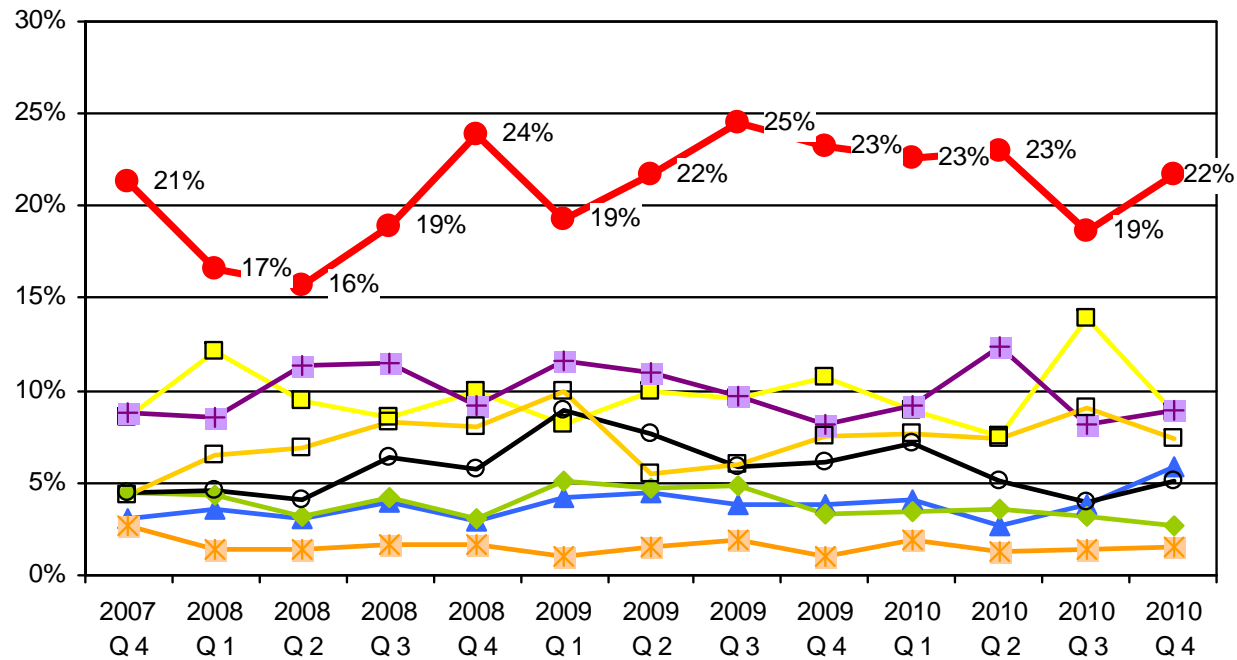


Share of Breakfast Occasions

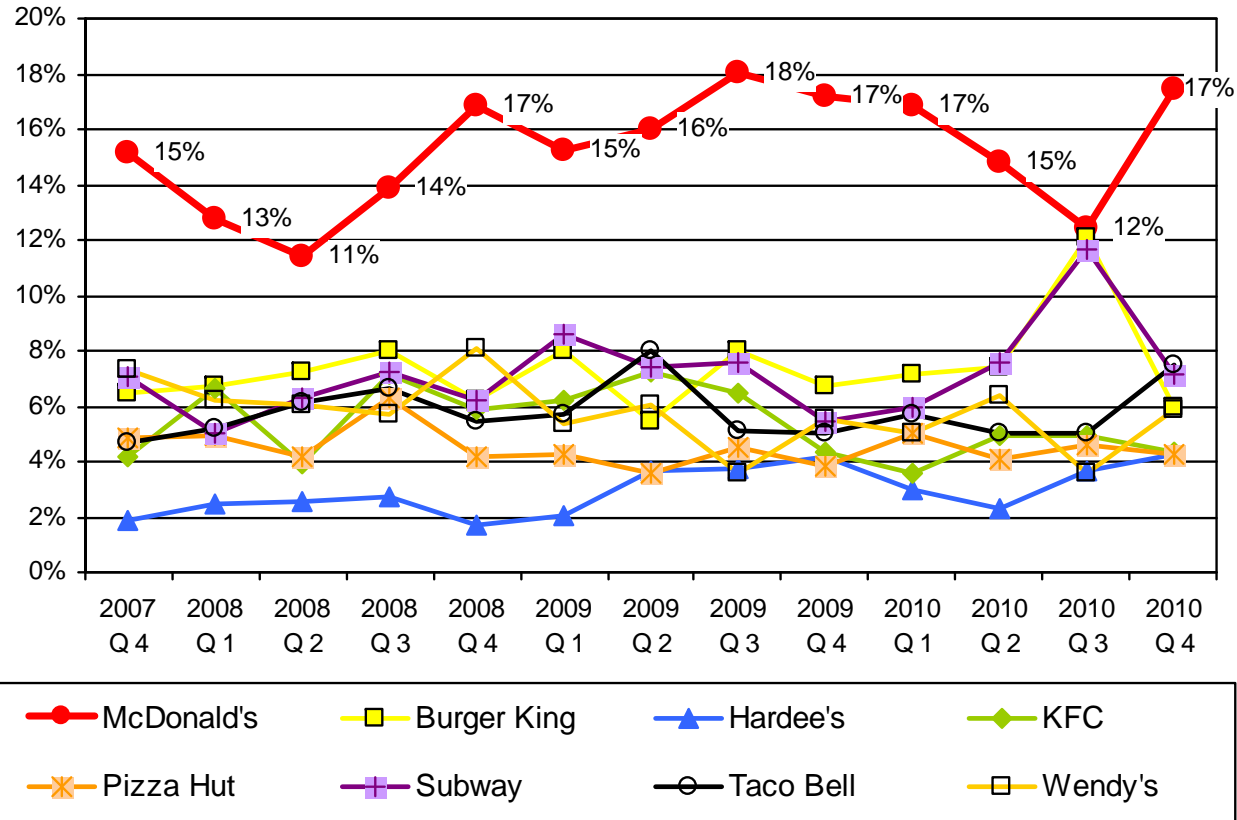
- Share is also provided by daypart and service mode.



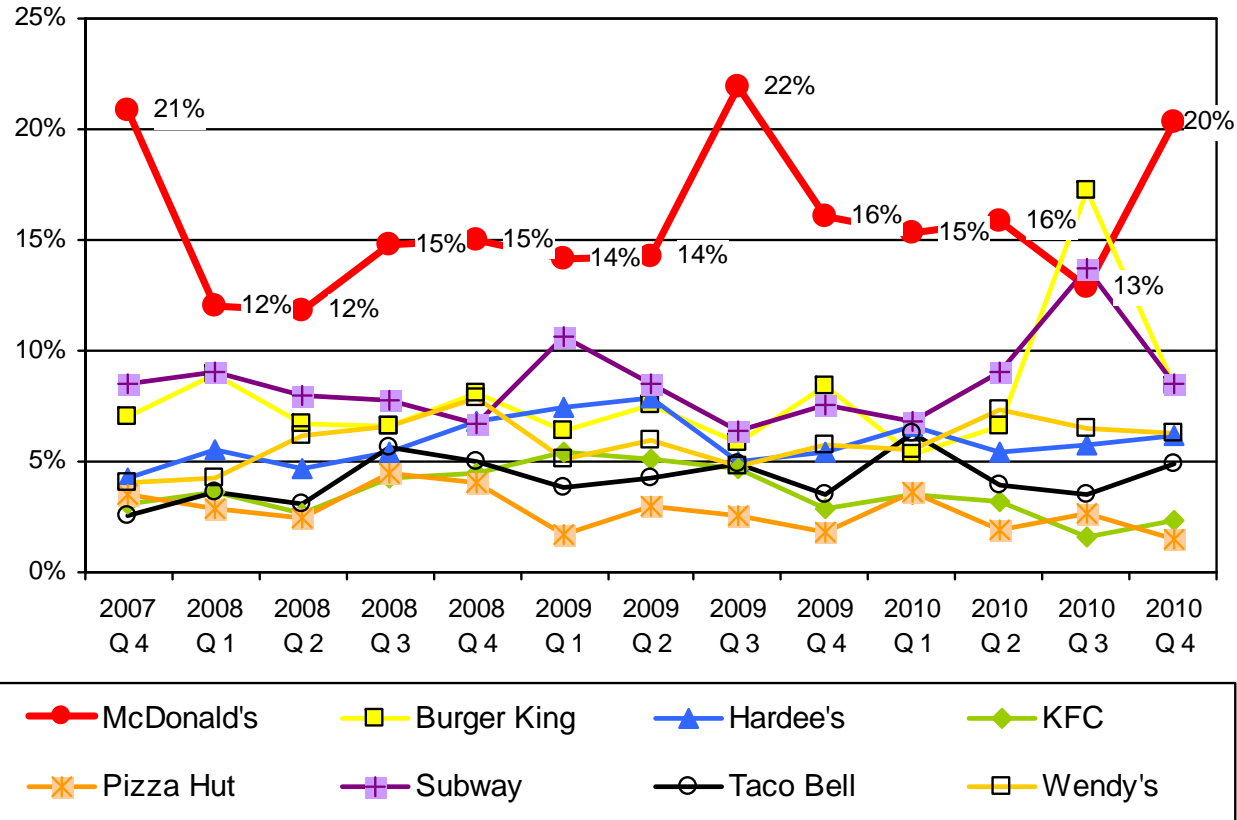
Share of Lunch Occasions



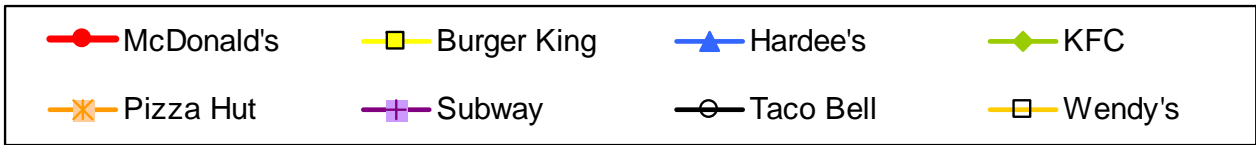
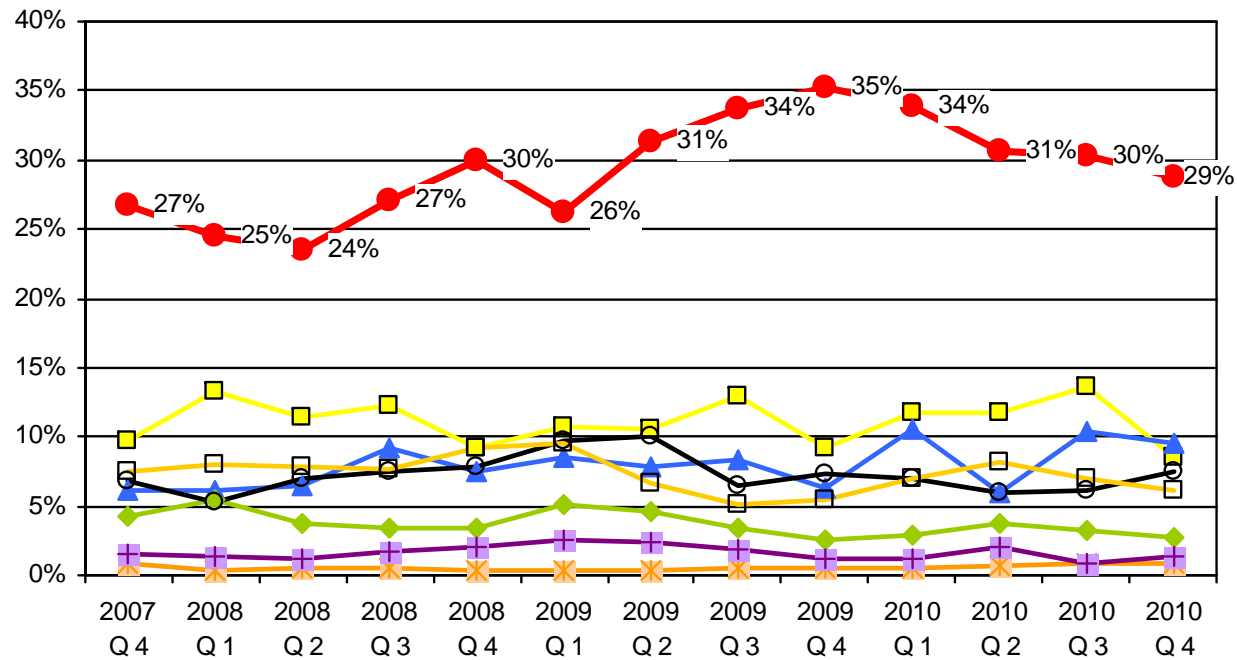
Share of Dinner Occasions



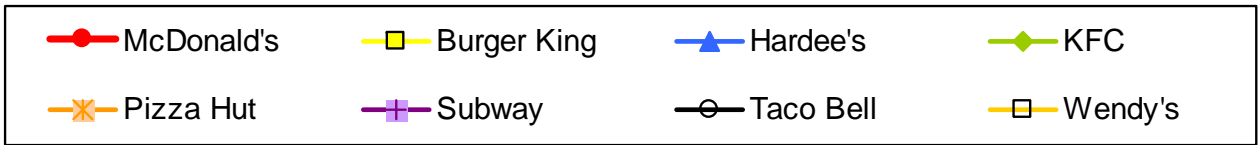
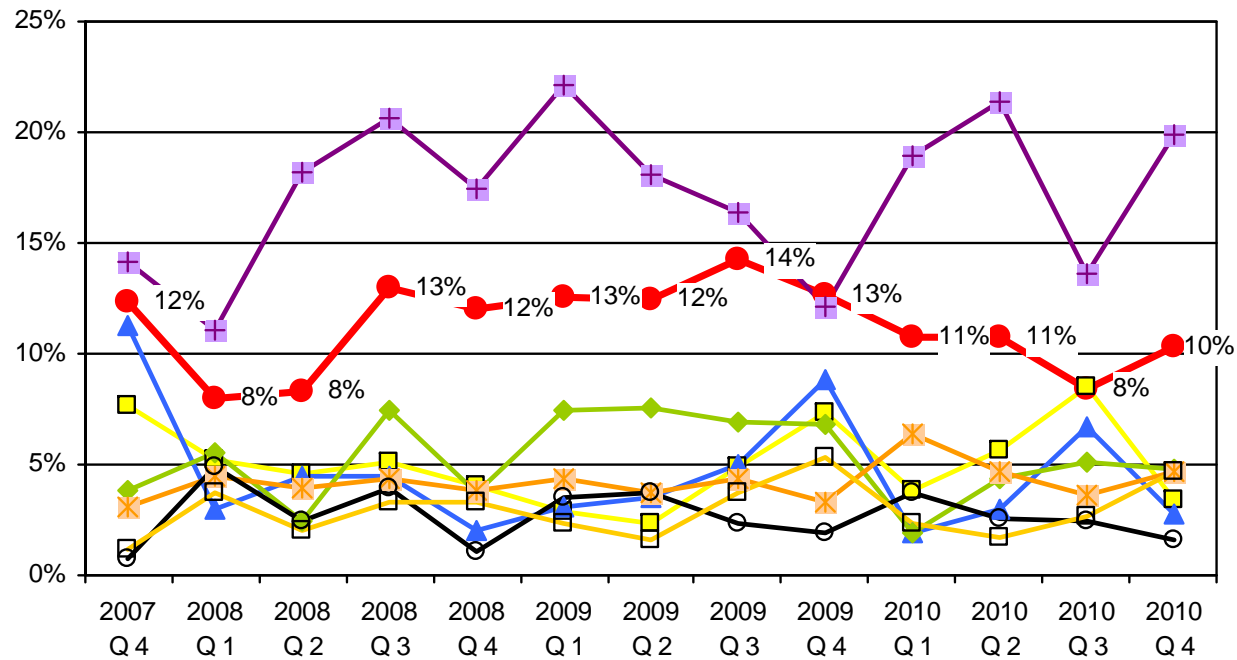
Share of Eat-In Occasions



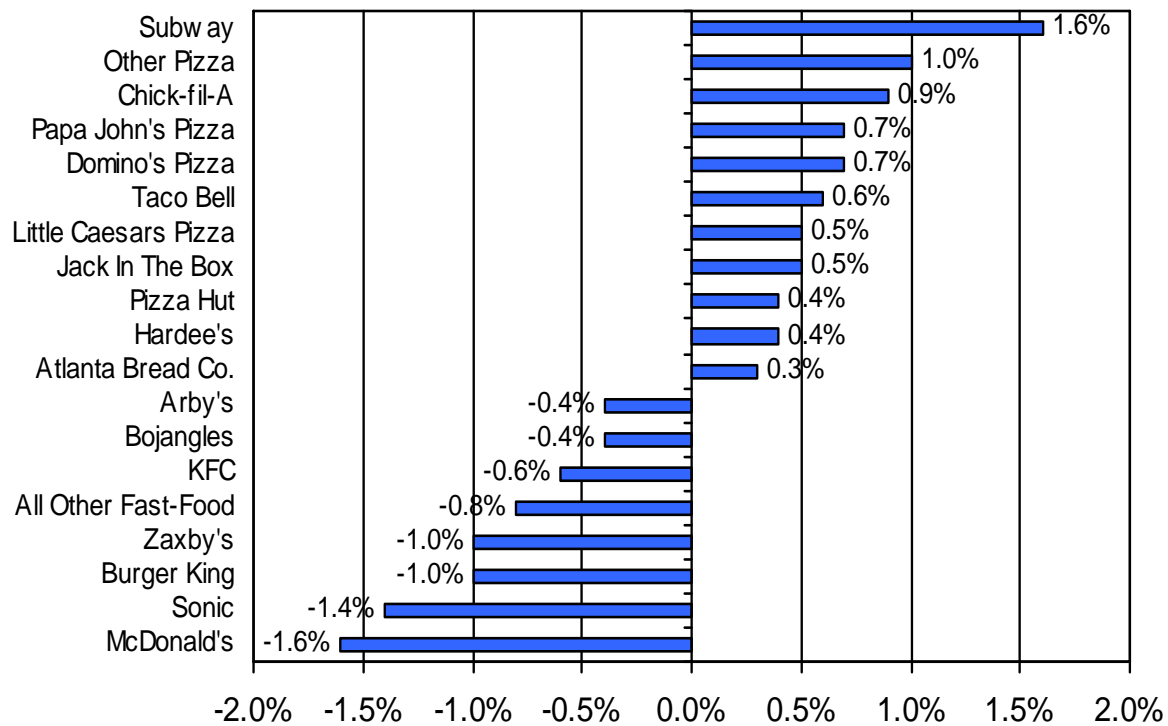
Share of Drive-Thru Occasions



Share of Carry-Out Occasions



Share Change: Current Period - Year Ago



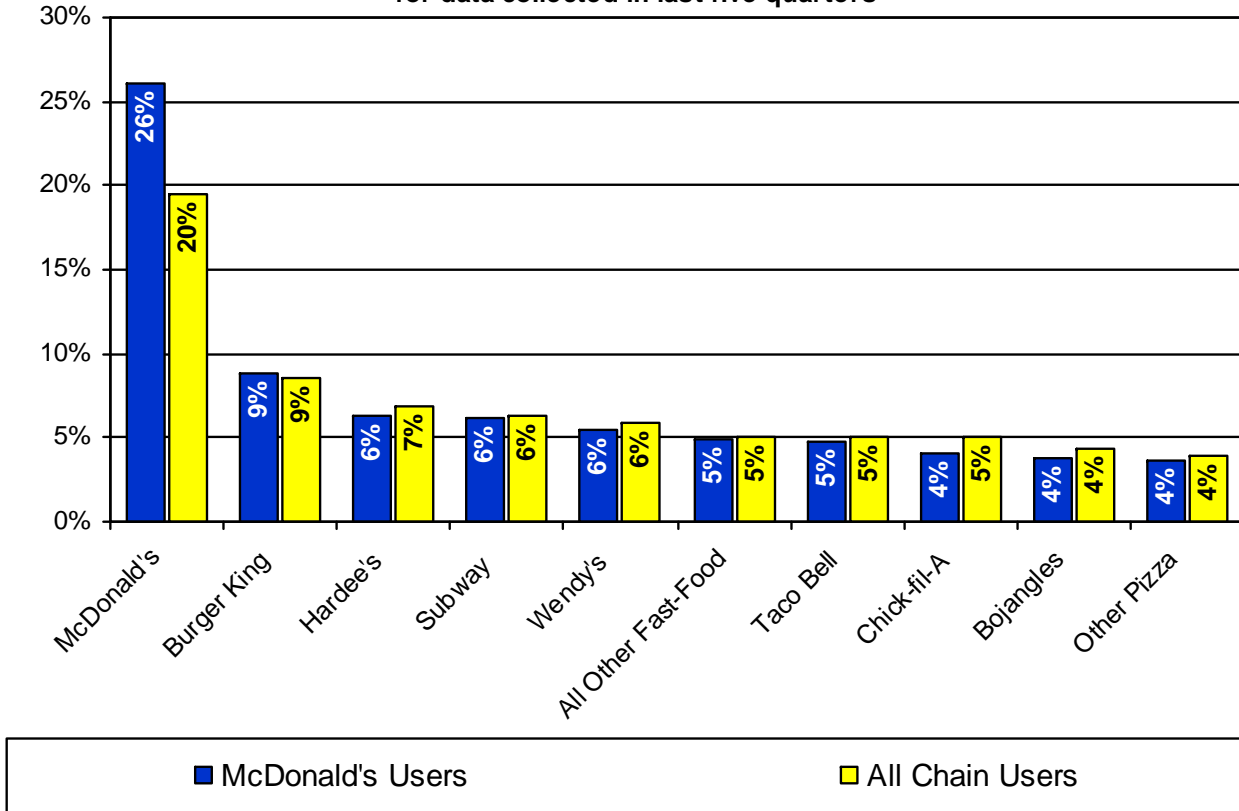
- Every report shows share change vs. year ago, in this case Q4 2010 vs. Q4 2009.



Cross chain usage

Chain Loyalty for Key Competitors

for data collected in last five quarters



- Where are your brand's users going when not visiting your brand?
- Here, McDonald's users devote the second highest share of their occasions to Burger King and patronize Burger King slightly more than average.

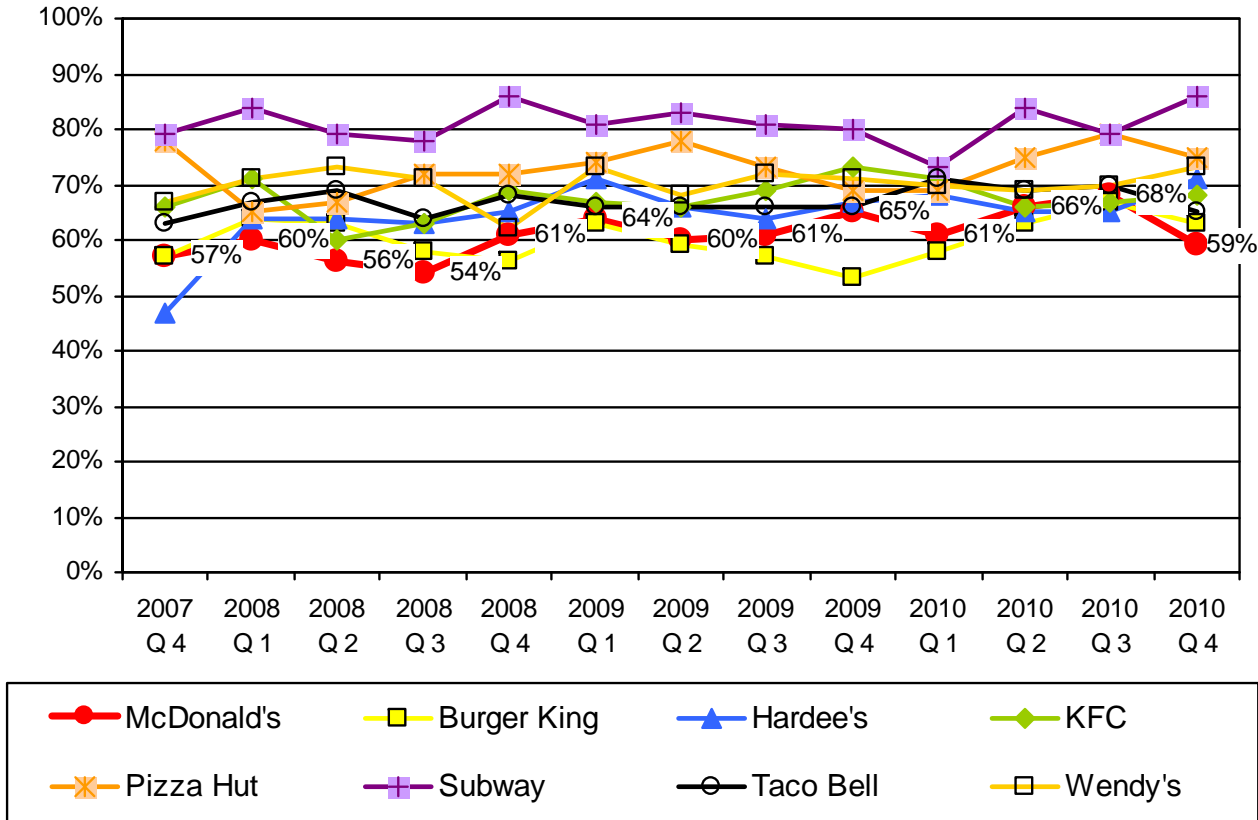


BRAND IMAGE



Overall rating

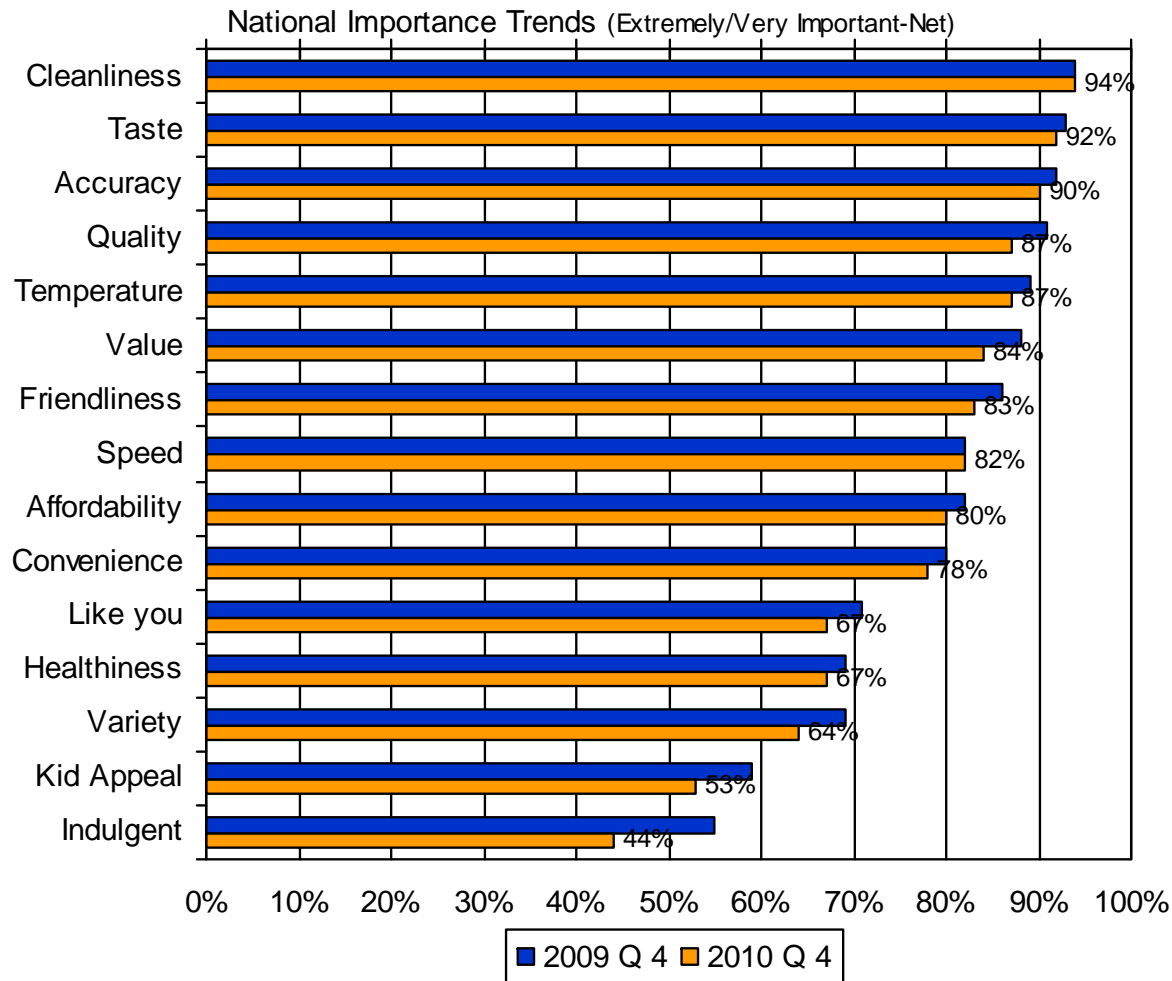
Rating of Last Occasion (Excellent/Very Good-Net)



- The rating of the last occasion is collected among past-3-month users of each monitored chain.
- Respondents rate these chains on a 5-point scale (1=poor, 5=excellent).
- This chart reports the top-2-box results (those rating the chain excellent and very good), a good indication of overall satisfaction.



Cleanliness and taste of top importance



- Quick-Track market-level studies include national trends in customer satisfaction attribute importance.
- Respondents are asked to rate each attribute on a scale of 1 to 5 (1=not at all important, 5=extremely important).
- Quarterly data is available and included with order.



Attribute Ratings

- Clients select which chains they'd like to track on 16 customer satisfaction attributes.
- In 2011 Sandelman & Assoc. added “Attractive and inviting restaurants.”



Relative Ratings

- Ratings are indexed to the average of your competitive set.

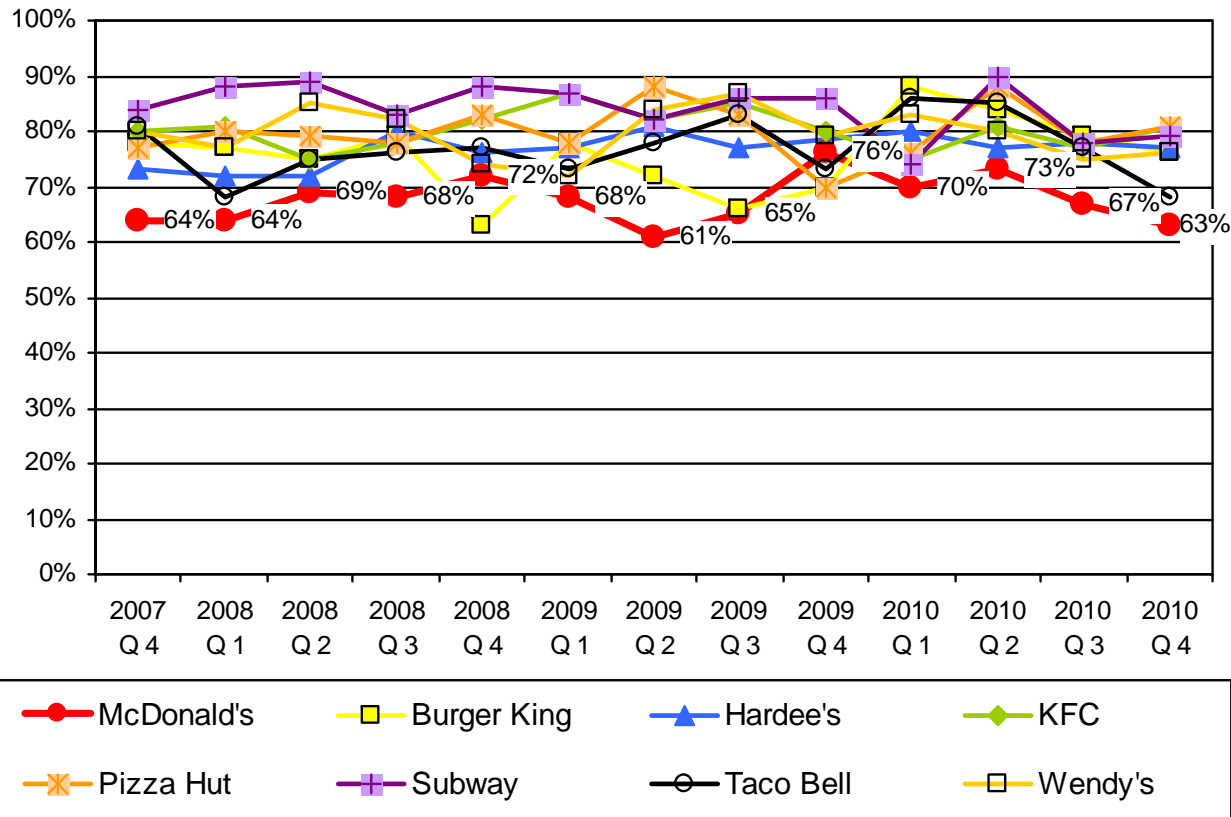
	McDonald's	Burger King	Hardee's	KFC	Pizza Hut	Subway	Taco Bell	Wendy's
<i>User Base Size</i>	[109]	[100]	[130]	[144]	[134]	[87]	[107]	[119]
Taste	82	101	103	109	109	106	89	102
Quality	81	89	108	117	113	129	67	100
Temperature	83	95	101	99	116	120	76	112
Variety	101	98	99	98	100	112	87	105
Healthiness	84	71	81	106	81	215	62	120
Indulgent	127	94	107	93	98	99	80	104
Value	112	97	92	76	103	118	114	89
Affordable	117	97	87	73	98	118	112	100
Friendliness	84	92	104	92	112	128	85	105
Speed	110	90	93	84	95	143	82	107
Accuracy	89	98	96	93	108	134	79	106
Cleanliness	92	99	96	101	112	114	75	112
Kid Appeal	148	137	80	74	125	84	61	99
Convenience	125	97	109	80	102	102	88	98
Like me	87	99	98	95	102	137	87	96
Attractive/Inviting	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Above Average

Below Average



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

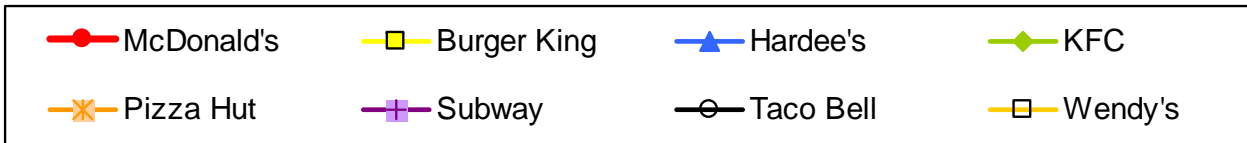
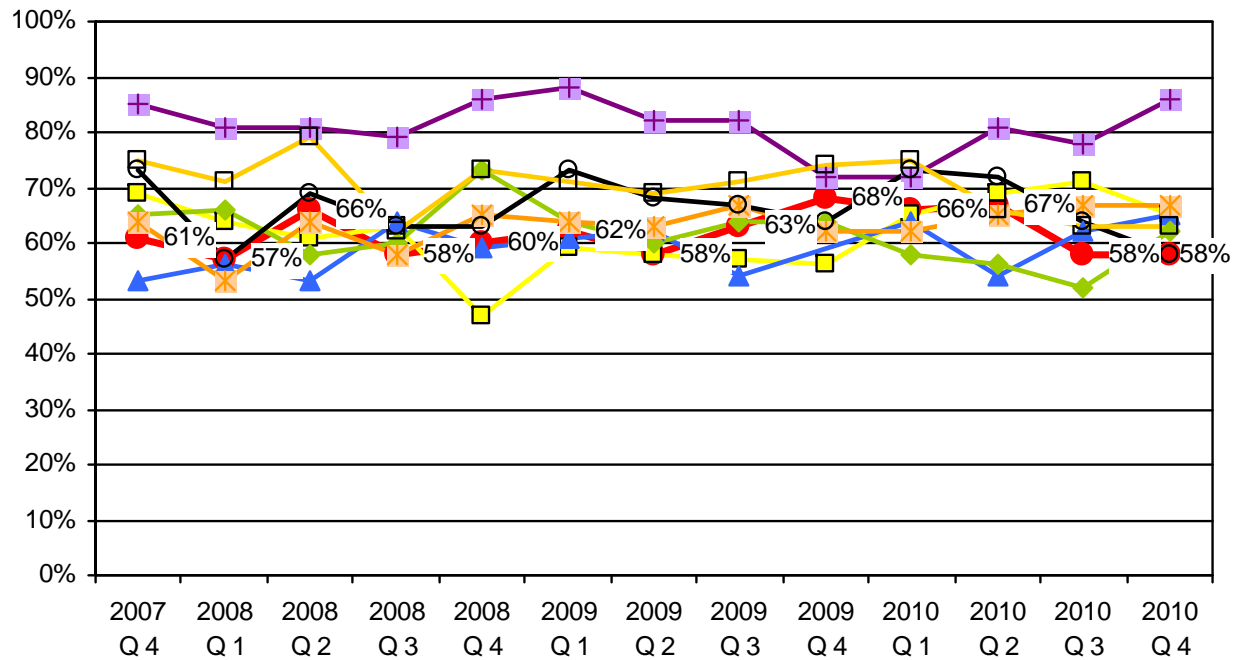


- Trend data is provided for each attribute where available.
- Clients can assess how they're ranked on each attribute and, importantly, if they're gaining ground or losing ground against their competitors on these attitudinal measures.

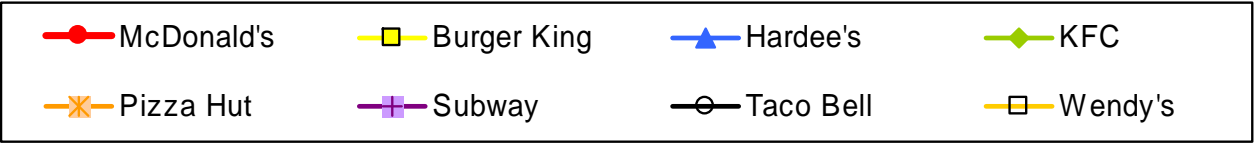
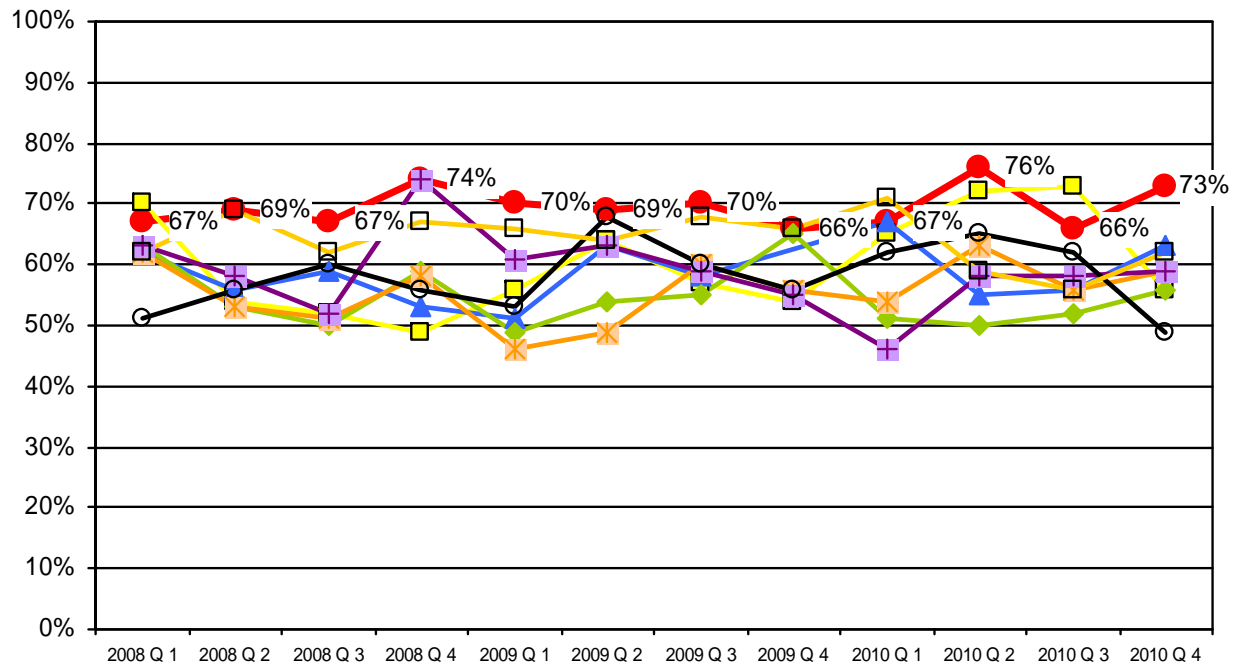


Someone Like Me (Excellent/Very Good-Net)

- A good measure of brand affinity.



Availability of Indulgent Items (Excellent/Very Good-Net)



More attributes

- Clients enjoy trend data for 13 other attributes, including:
 - Cleanliness of the restaurant
 - Accuracy in filling orders
 - Quality of the ingredients
 - Value for the money
 - The affordability of the prices
 - Temperature of the food
 - Variety of menu items
 - Availability of healthy options
 - Friendliness of the employees
 - Speed of service
 - Convenience of locations
 - Overall appeal to kids
 - Attractive, inviting restaurants

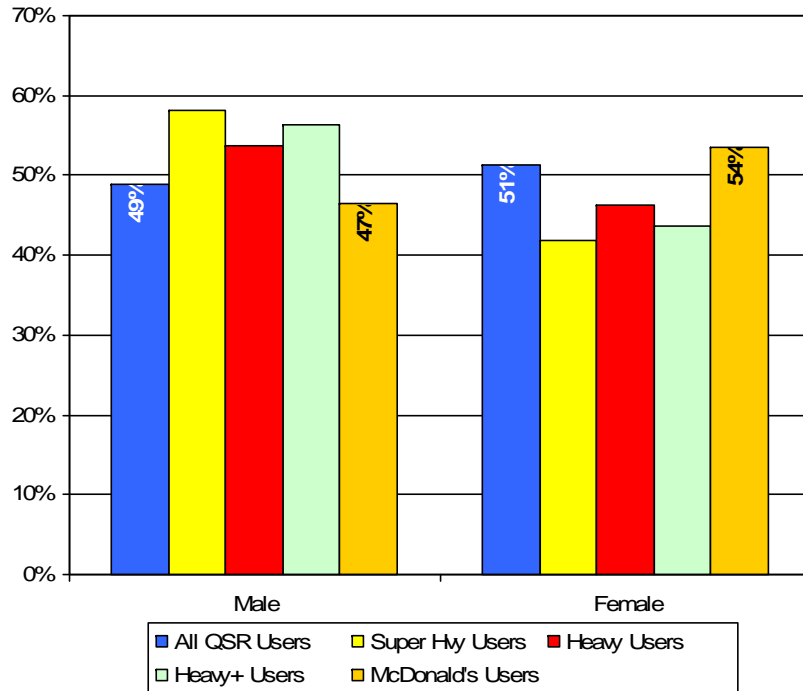


DEMOGRAPHICS

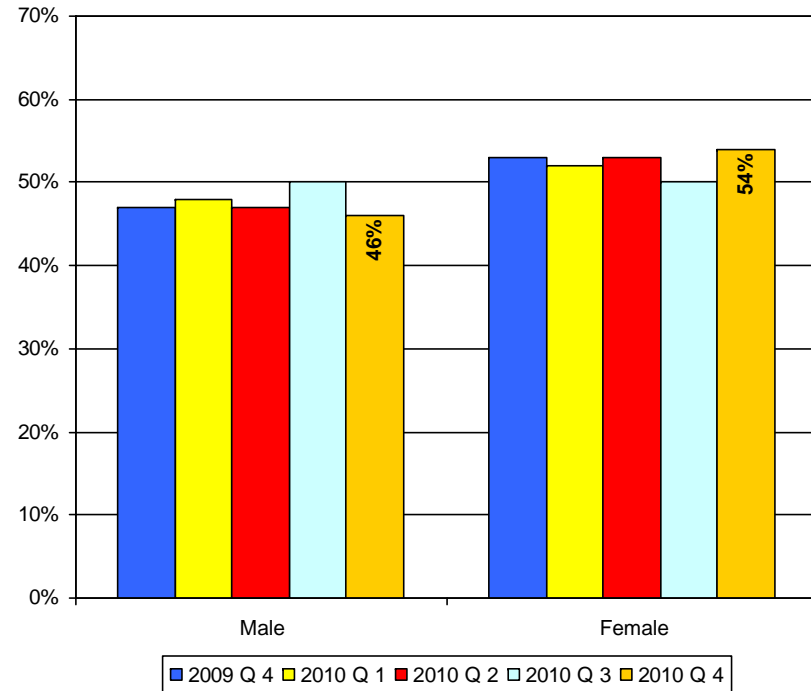


Gender

By QSR Usage & McDonald's Users (Current Period)



McDonald's - Trends

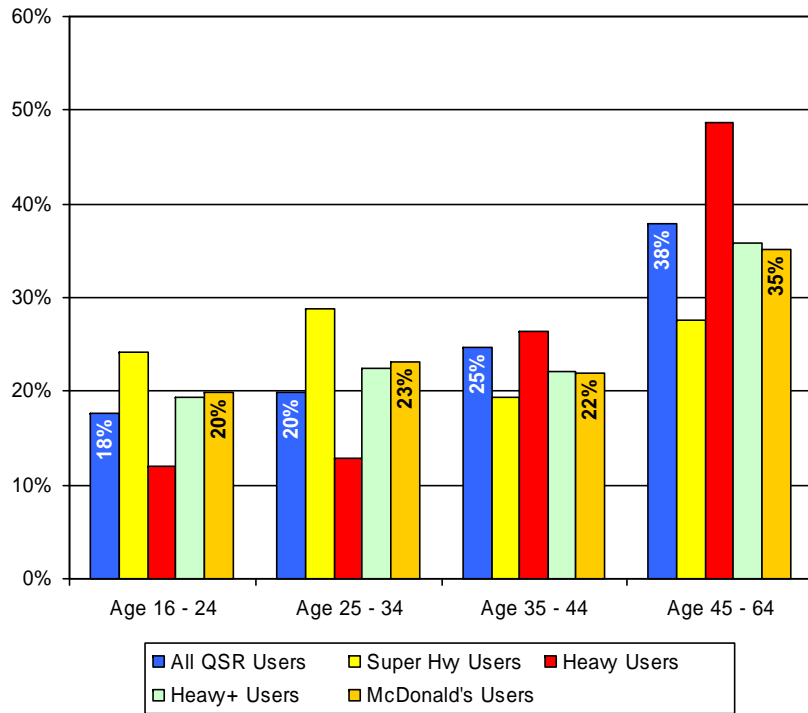


- The first chart highlights how your user base compares with various usage groups and with the overall market composition this period.
- The second chart showcases changes in your user base demographics over time.

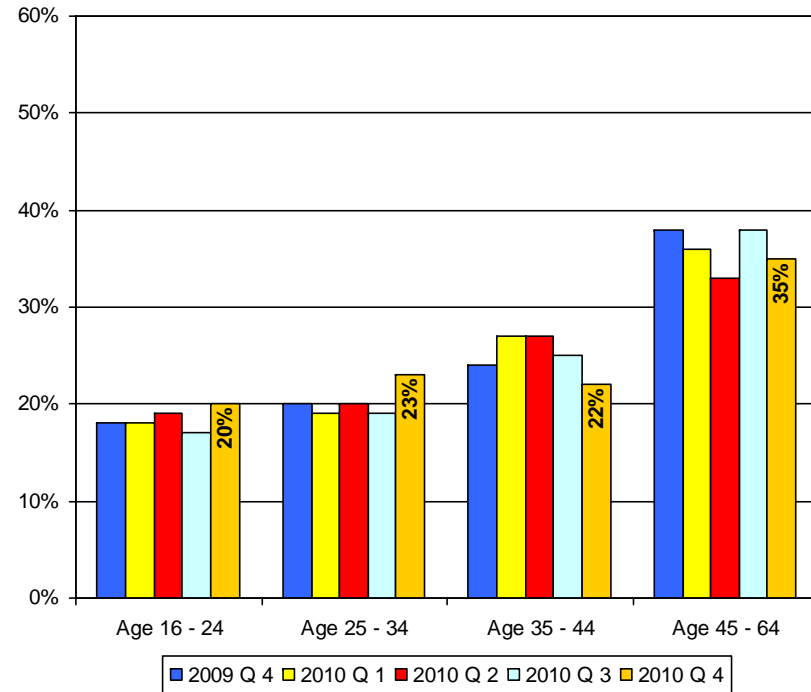


Age

By QSR Usage & McDonald's Users (Current Period)

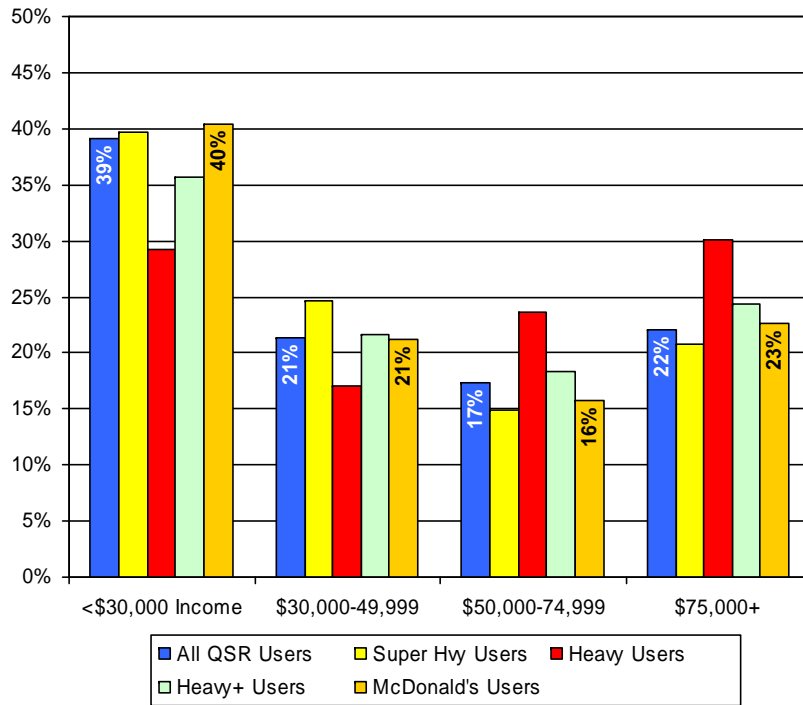


McDonald's - Trends

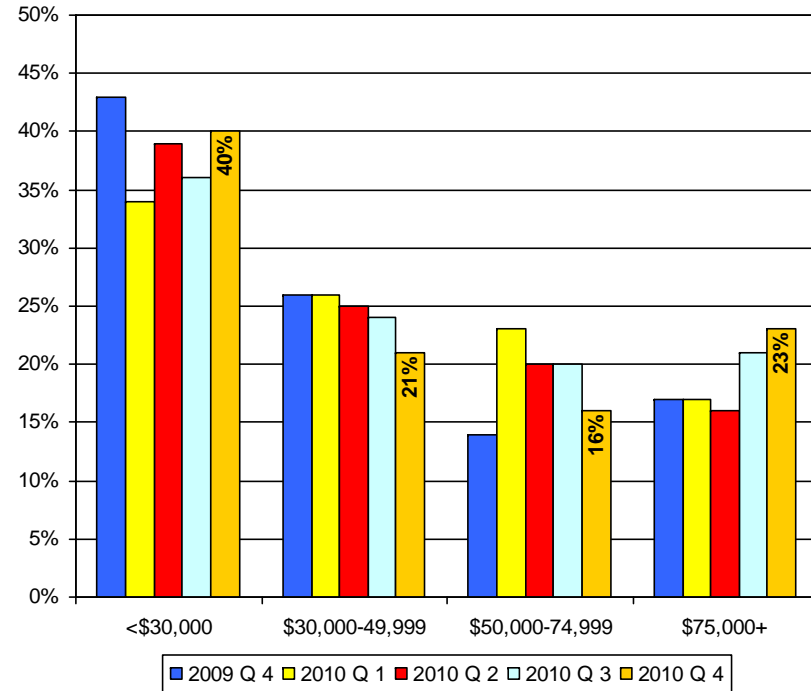


Household Income

By QSR Usage & McDonald's Users (Current Period)

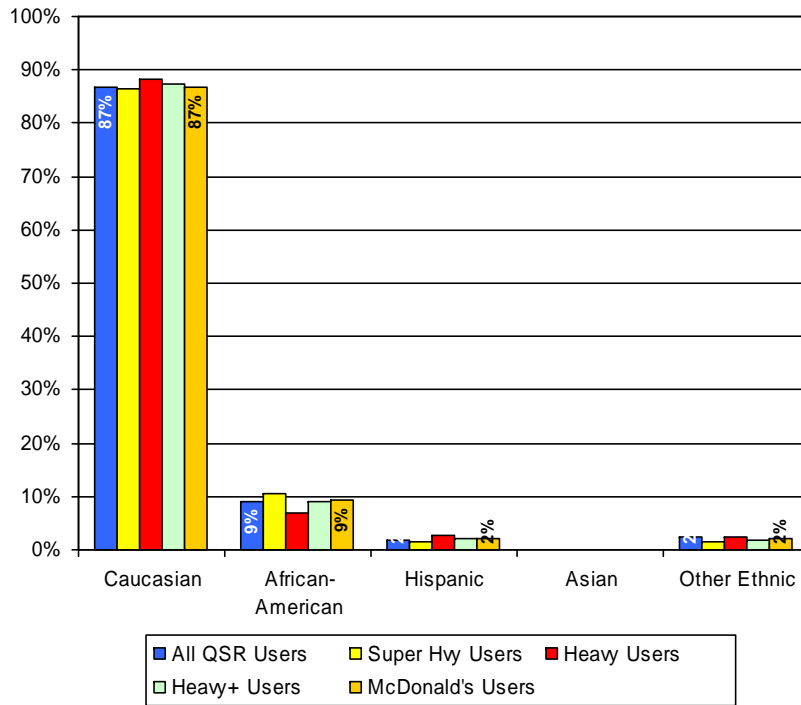


McDonald's - Trends

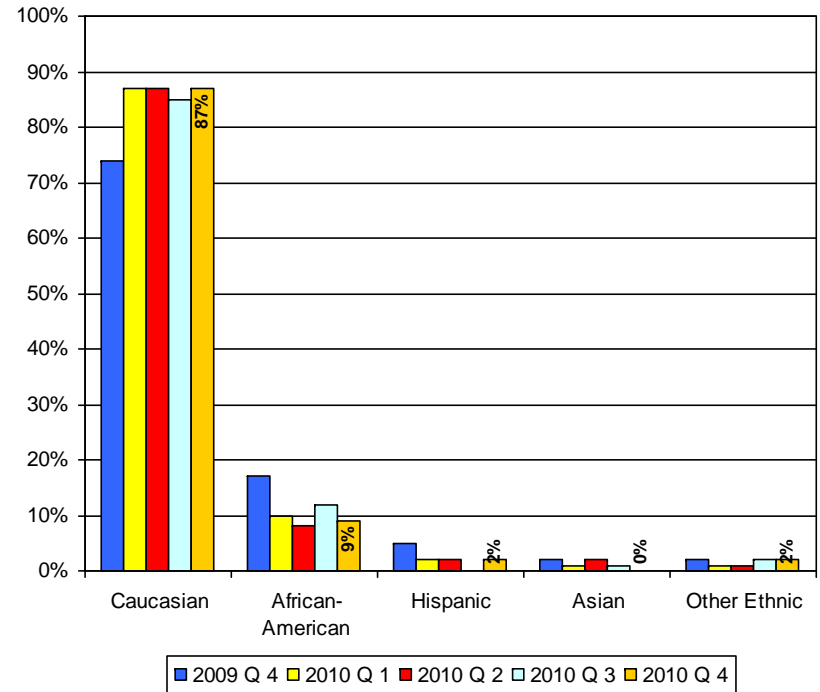


Ethnicity

By QSR Usage & McDonald's Users (Current Period)



McDonald's - Trends



GLOSSARY OF TERMS



Glossary – User Segments

QSR Usage

All Users – Respondents who purchase food from quick-service restaurants at least once in a typical month. This is the Total Sample of respondents.

- Superheavy Users – Respondents who purchased food at all QSRs 20 or more times in the past month.
- Heavy Users – Respondents who purchased food at all QSRs 12-19 times in the past month.
- Heavy + Users – Respondents who purchased food at all QSRs 12 or more times in the past month.
- Moderate Users – Respondents who purchased food at all QSRs 4-11 times in the past month.
- Light Users – Respondents who purchased food at all QSRs 0-3 times in the past month.

Chain Usage

- Chain X Users – Respondents who purchased food from Chain X at least once in the past month.



Glossary – Tracking Measures

- Brand Awareness – The percentage of consumers in a given segment who know of a specific QSR 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:
 - 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:
 - 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. Quick-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 3 Month Purchase Level – The percentage of consumers of a given segment who have purchased from a chain in the past 3 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 3 month purchasers by the trial percentage. Considering the pace at which consumers purchase from various QSR chains, “trier-rejecters” are defined as those who have tried a chain but have not purchased from that chain in the past 3 months.
 - Past Month Purchase Level – The percentage of consumers of a given segment who have purchased from a chain in the past month. 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 month purchasers by the past 3 month purchase level. In addition, “lapsed-users” are defined as those who have purchased from a chain in the past 3 months but not in the past month.
- **Past Month Purchase Frequency** – The average number of times past month chain users purchased from that chain in the past month. Past month purchase frequency is an indication of chain loyalty. Often, as a chain’s 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 Month Purchase Occasions** – The percentage of occasions of a given segment that are dedicated to a particular chain. The base of past month purchase occasions for any segment is the sum of all past month users' occasions for that segment devoted to all chains. Share of occasions can be segmented by four dayparts (breakfast, lunch, dinner, snacks) and four service modes (eat-in, drive-thru, carry-out, delivery). 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 Quick-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 3 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 3 months on 16 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.



Contact Information:

- SandelmanEdge.com help line
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