

Deloitte.

Second helpings

Building consumer loyalty in the fast service and casual dining restaurant sector

Consumer survey findings

2014



Methodology

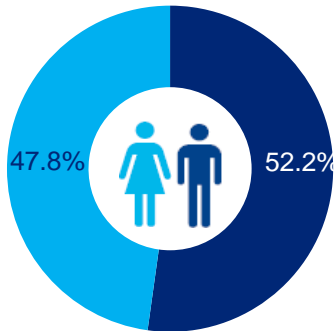
Web-based survey

- Web-based survey of fast service and casual dining restaurant customers
- Each of the respondents visited a fast service* restaurant at least 4 times or a casual dining restaurant at least 2 times within the 30 days prior to taking the survey.
- Customer web-based survey conducted from November 28 – December 09, 2013
- 4,093 survey respondents of fast service and casual dining restaurant customers
- The purpose of this deck is to depict in graphical form select top-level results from our survey that are relevant to our analysis of loyalty in the fast service and casual dining restaurant sector. For a more elaborate and nuanced discussion of the state of loyalty in the fast service and casual dining restaurant sector, please see the accompanying POV—*Second helpings: Building consumer loyalty in the fast service and casual dining sector.*

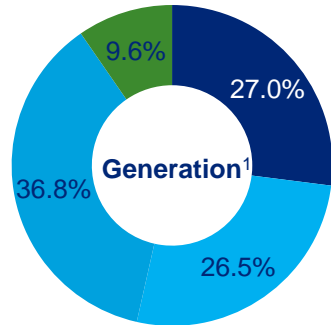


*Fast service restaurants are either quick service (QSR) or fast casual restaurants. The analysis in this deck treats these two segments separately.

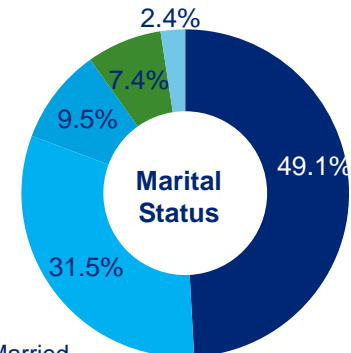
Restaurants: Customer profile



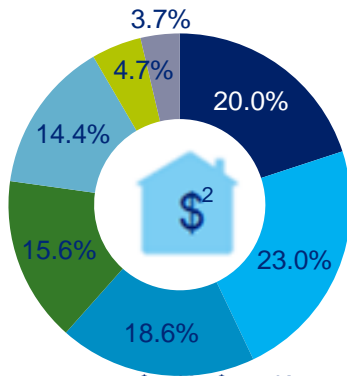
■ Men ■ Women



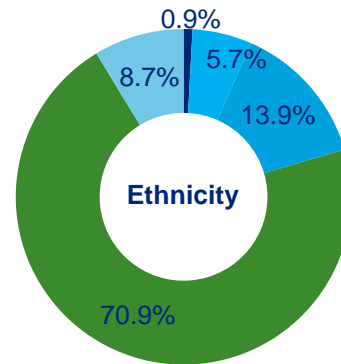
■ Millennials ■ Gen X
■ Baby Boomers ■ Seniors



■ Married
■ Single
■ Divorced
■ Living together as a couple
■ Other



■ < \$25K ■ \$25K - \$49.9K ■ \$50K - \$74.9K
■ \$75K - \$99.9K ■ \$100K - \$149.9K ■ \$150K - \$199.9K
■ > \$200K



■ Native American, Inuit or Aleut
■ Asian American/Pacific Islander
■ African American/Black/Caribbean American
■ Caucasian/White
■ Other

N = 4,093

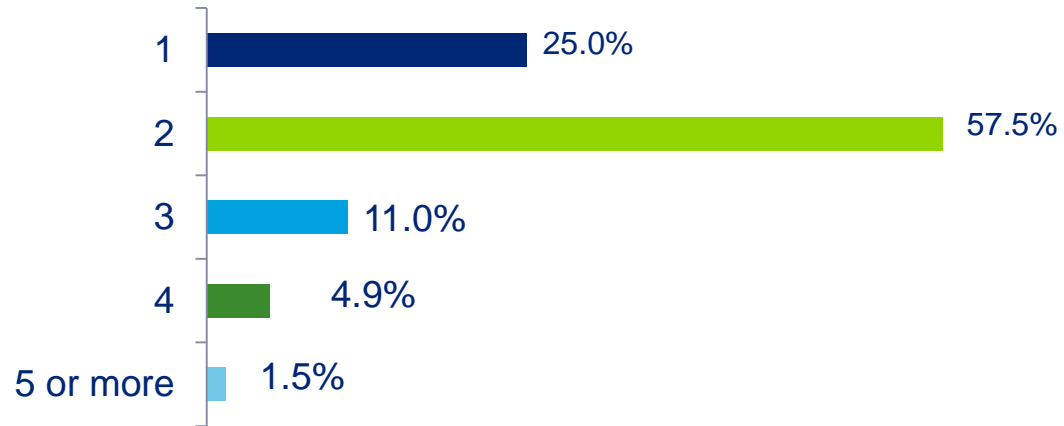
¹ Millennials: 1981-1992 Gen X: 1965-1980; Baby Boomers: 1946-1964; Seniors: 1920-1945

² Household Annual Income

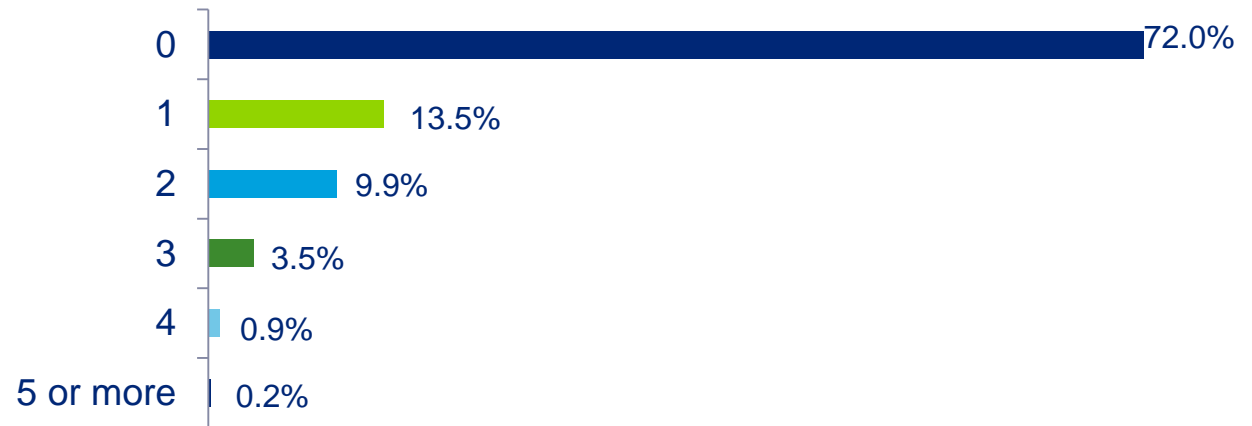
Household composition

Household composition

Number of adults



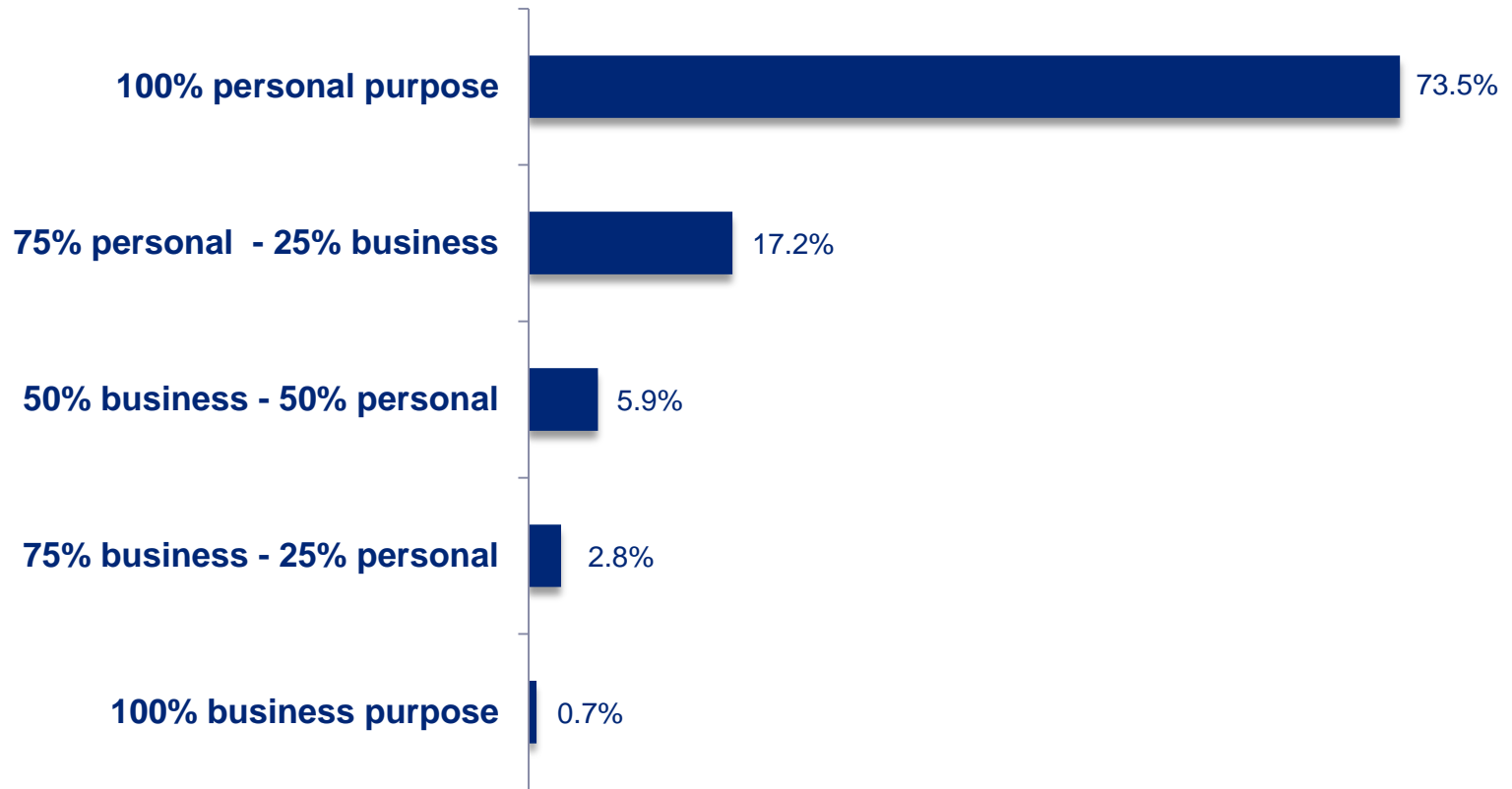
Number of children



N = 4,093

Q1: Which of the following represents your reason for dining at a restaurant?

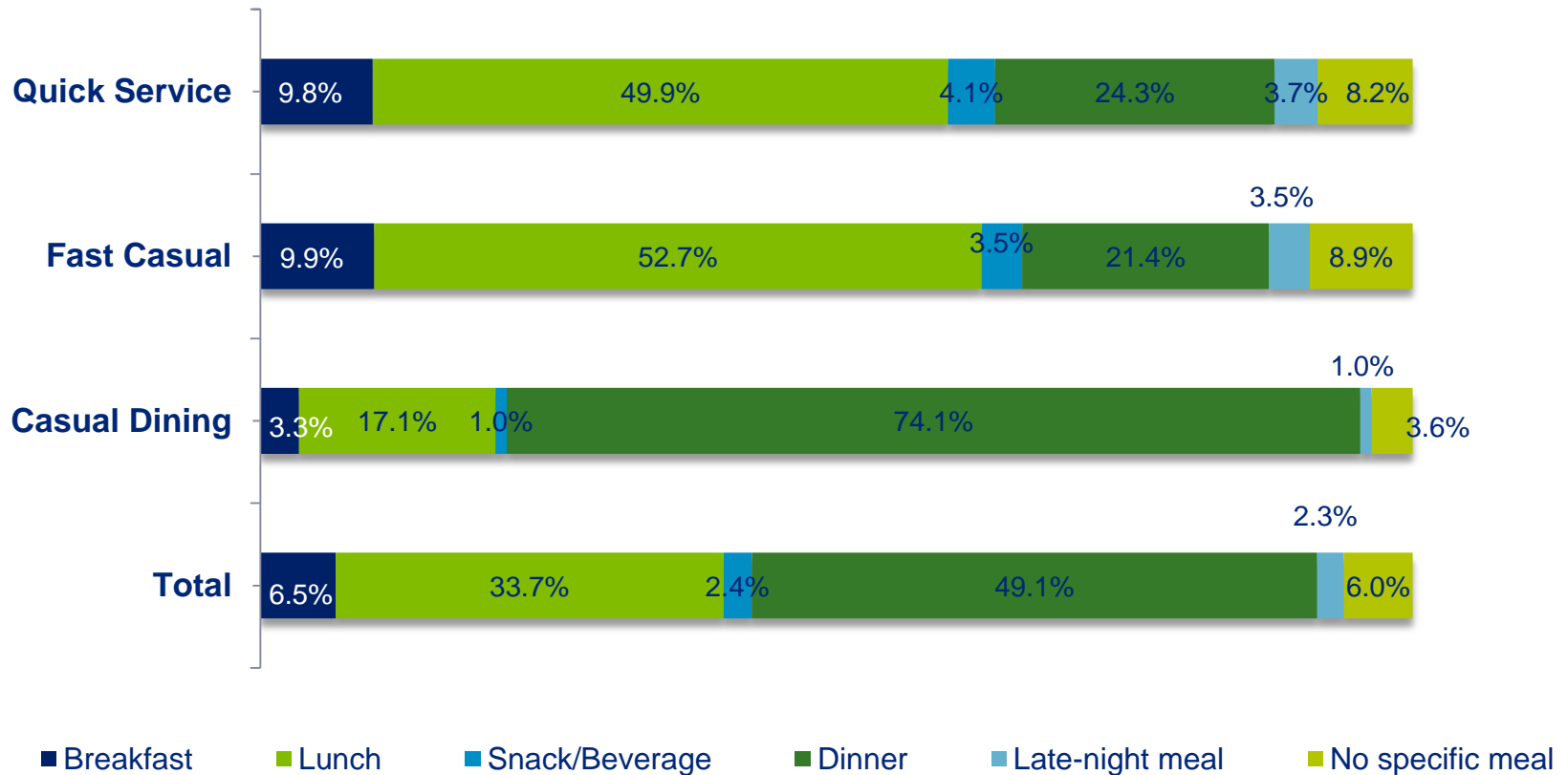
Purpose of restaurant visit



N = 4,093

Q2: Which meal do you eat most often at the following restaurant formats?

Meal type

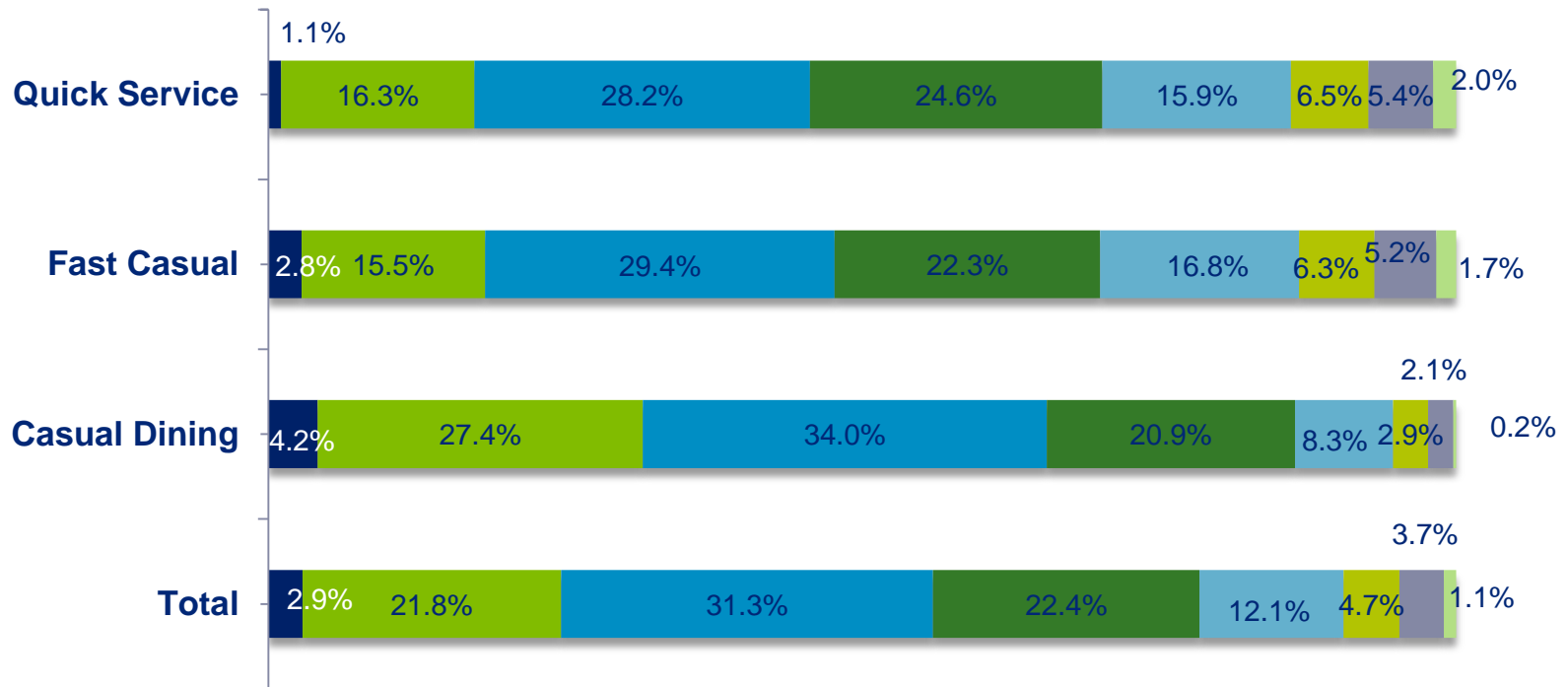


No of responses: Total = 4,093; Quick Service = 1,487; Fast Casual = 537; Casual Dining = 2,069.

Note: Responses are grouped by and refer to respondents' self-identified most frequented format

Q3: How frequently do you visit the following restaurant formats?

Frequency of visits



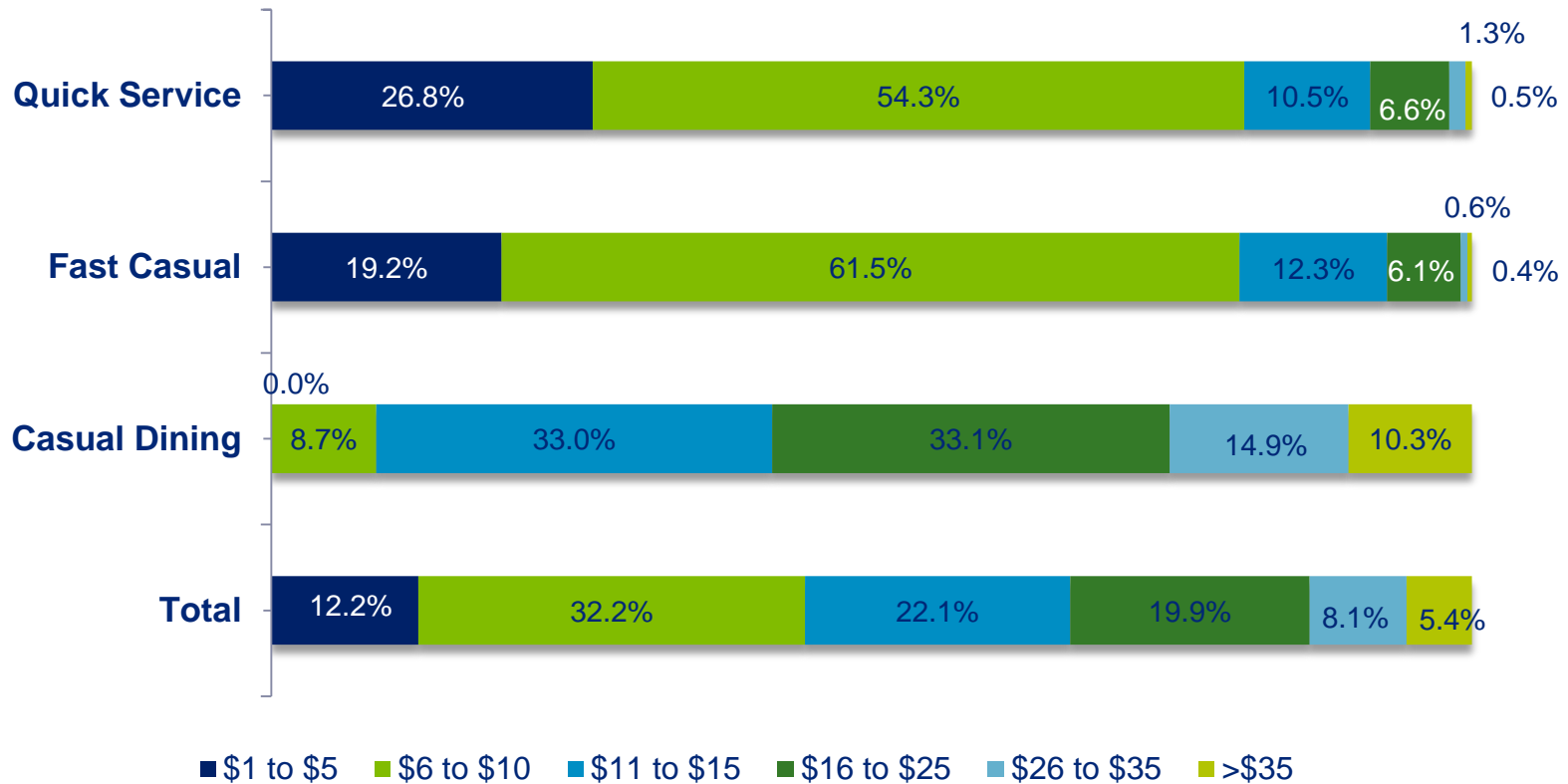
- Less often than once a month
- 1-2 times a month
- 1 time a week
- 2 times a week
- 3 times a week
- 4 times a week
- More than 4 times a week
- Every day/ Multiple times a day

No of responses: Total: 4,093; Quick Service = 1,487; Fast Casual = 537; Casual Dining= 2,069.

Note: Responses are grouped by and refer to respondents' self-identified most frequented format

Q4: On an average (per person), how much do you spend per visit at the following restaurant formats

Average \$ spend per person/trip

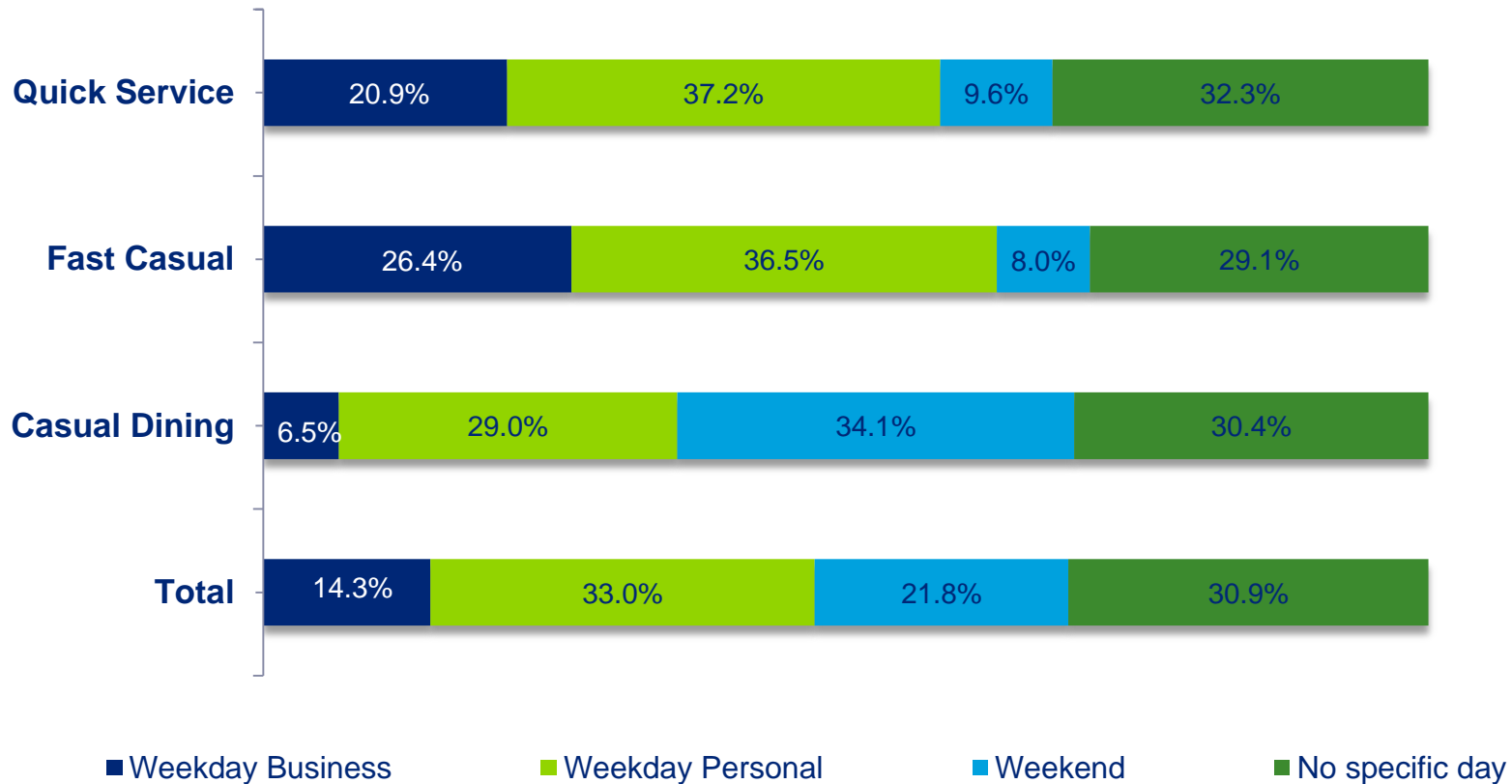


No of responses: Total: 4,093; Quick Service = 1,487; Fast Casual = 537; Casual Dining = 2,069.

Note: Responses are grouped by and refer to respondents' self-identified most frequented format

Q5: On which day(s) of the week do you most frequently visit the following restaurant formats

Preferred day



No of responses: Total: 4,093; Quick Service = 1,487; Fast Casual = 537; Casual Dining= 2,069.

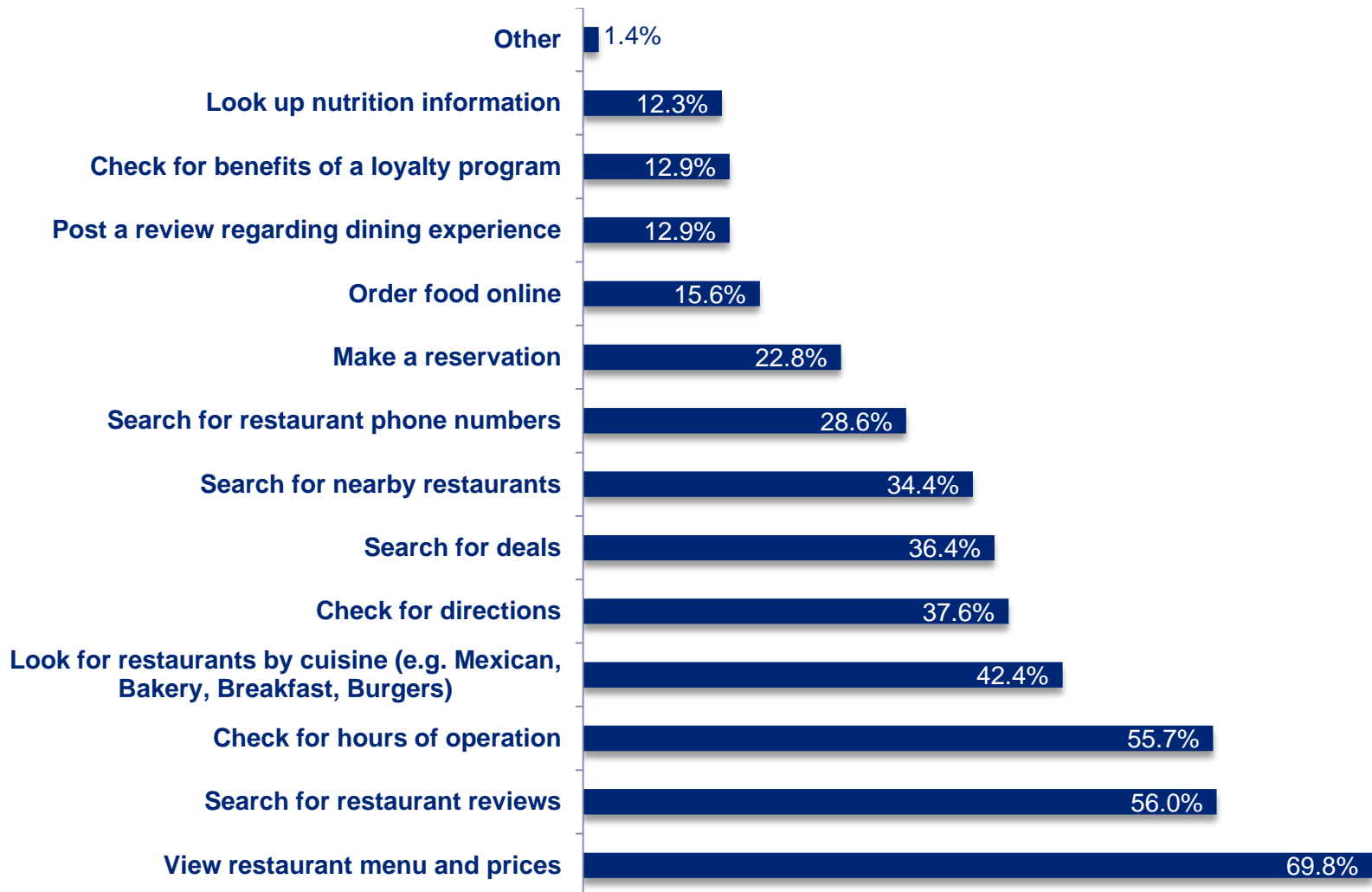
Note: Responses are grouped by and refer to respondents' self-identified most frequented format

Q6: When choosing a restaurant for the first time, how often do you consider the following factors?

Factors	Never	Rarely	Sometimes	Often	Always
Restaurant websites	27%	30%	30%	10%	2%
Availability of free Wi-Fi	47%	27%	18%	6%	2%
Third party restaurant search/review websites	33%	27%	27%	11%	2%
Restaurant presence on social media sites	52%	26%	16%	5%	1%
Family and friends referral	8%	12%	44%	32%	5%
Influence of children's opinion	57%	16%	17%	8%	2%
Kid friendliness	50%	19%	16%	11%	4%
Mobile apps	60%	22%	13%	4%	1%
Value for money	2%	4%	25%	48%	21%
Print advertisements	22%	29%	37%	10%	2%
TV advertisements	25%	32%	35%	7%	1%
Coupons (i.e. mailed/e-mailed coupons, deal-of-the-day coupons)	10%	19%	38%	26%	7%
Menu variety	3%	6%	32%	48%	12%
Promotions (happy hours, special promotions, etc...)	12%	17%	41%	25%	5%
Spur of the moment decision/Drive-By	8%	23%	49%	17%	2%
Location	2%	4%	26%	53%	15%
Reputation	3%	5%	29%	49%	14%
In restaurant technology (e.g., electronic ordering devices)	56%	27%	12%	4%	1%
Payment options	33%	26%	23%	14%	4%
Group consensus	18%	18%	38%	22%	3%
Availability of take-out	19%	25%	35%	17%	4%
Availability of drive-thru	27%	26%	32%	12%	3%
Other	16%	3%	14%	38%	30%

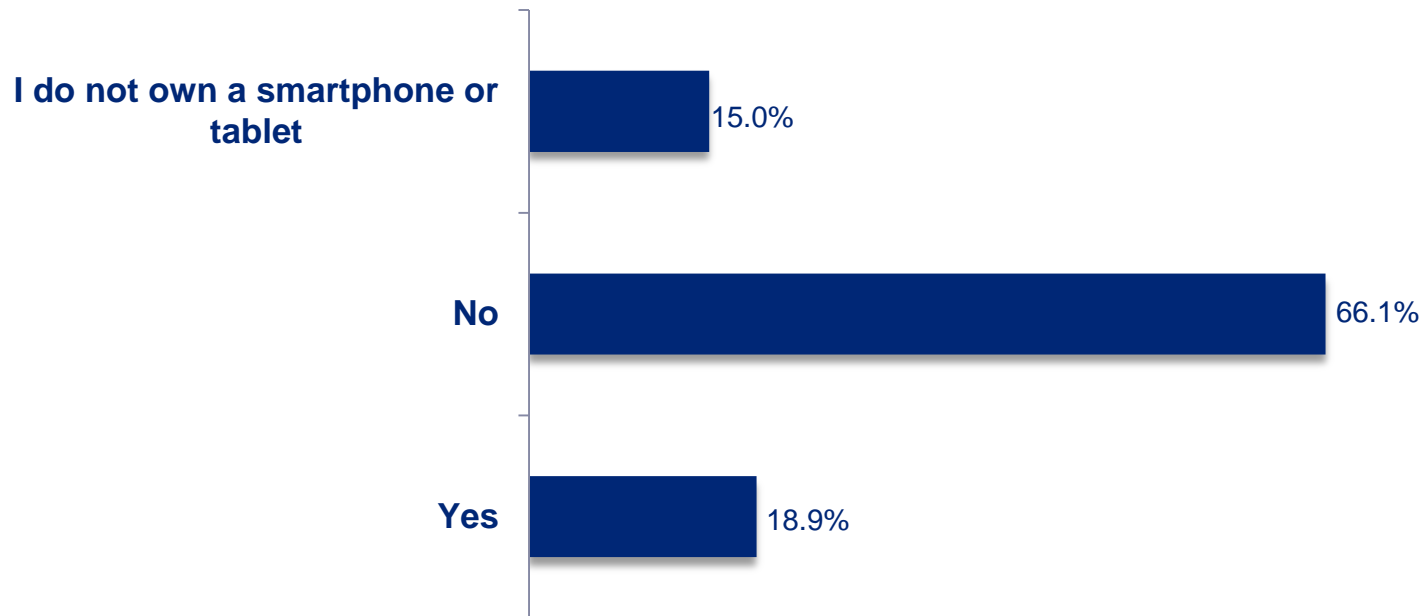
Q7: Why do you visit a third-party restaurant website?

Purpose of third-party restaurant website use



Q8: Have you downloaded a restaurant app (restaurant owned or third party) to your smartphone or tablet?

Restaurant app download



N = 4,093

Q9: Why do you use a restaurant mobile app?

Purpose of restaurant mobile app use

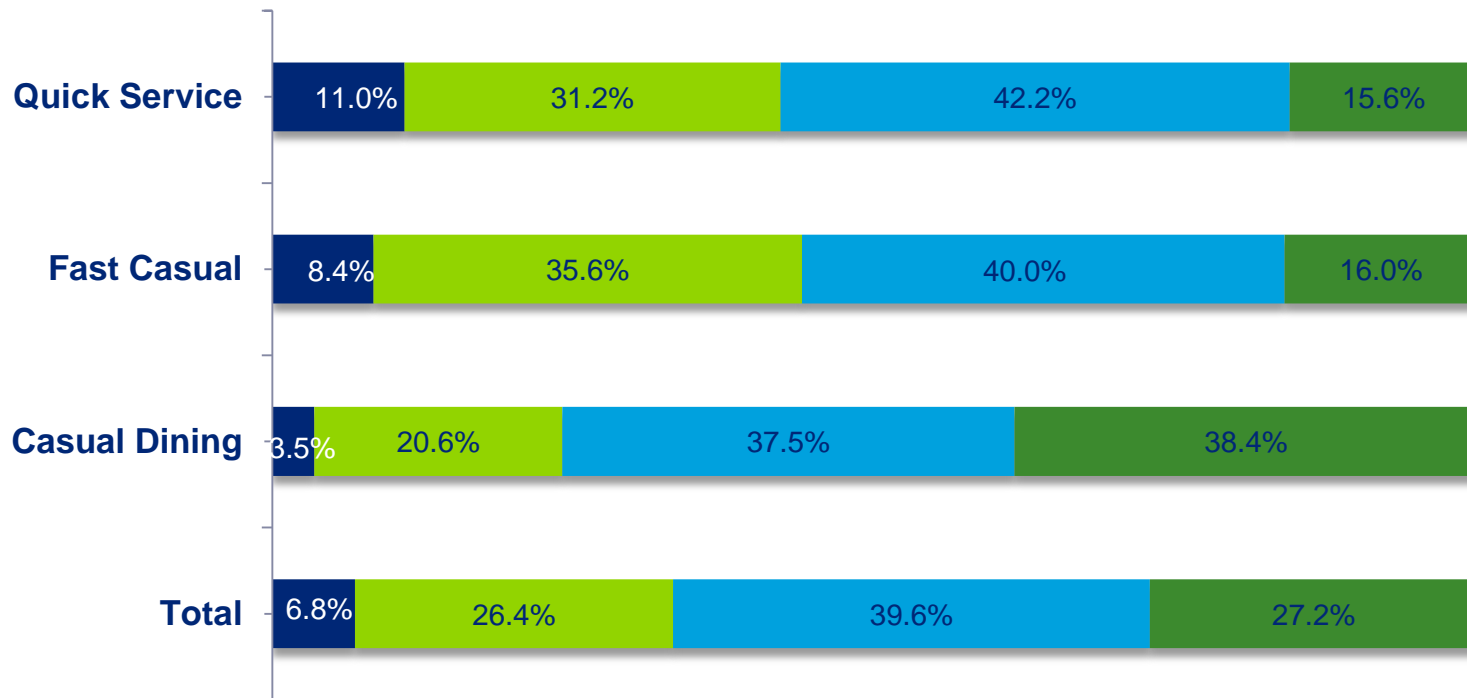


N = 773

Multiple select question, hence percentages don't add up to 100%

Q10: Which of the following represent your restaurant selection behavior within the below restaurant formats?

Restaurant patronize behavior



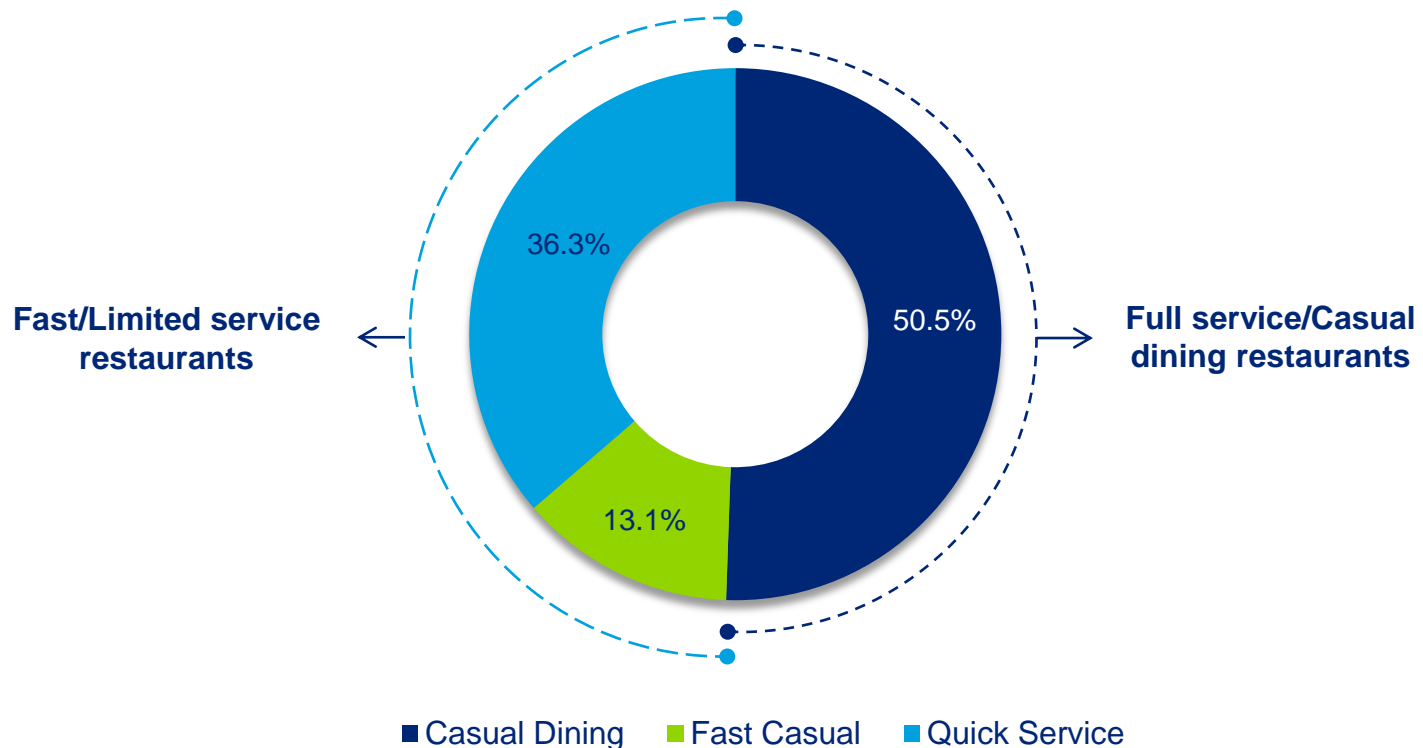
- I visit the same restaurant brand, every time
- I visit the same restaurant brand 75% of the time
- I visit the same restaurant brand about 50% of the time
- I keep trying different restaurant brands.

No of responses: Total = 4,093; Quick Service = 1,487; Fast Casual = 537; Casual Dining = 2,069.

Note: Responses are grouped by and refer to respondents' self-identified most frequented format

Q11: When dining out, which restaurant format do you visit more frequently?

Restaurant format choice



No of responses: Total = 4,093; Quick Service = 1,487; Fast Casual = 537; Casual Dining= 2,069.

Q12: Please rate the importance of the following attributes when considering what you value in a restaurant experience

Attribute	1-Not Important	2	3	4	5-Very Important	N/A
Food taste	0%	1%	4%	19%	75%	1%
Food safety	2%	3%	10%	21%	62%	1%
Menu variety	1%	2%	14%	42%	40%	1%
Food quantity	2%	4%	19%	33%	41%	1%
Price	1%	2%	13%	36%	48%	1%
Friendliness of staff	1%	3%	16%	36%	43%	1%
Responsiveness of staff	1%	2%	14%	37%	45%	1%
Reputation	2%	2%	17%	41%	37%	1%
Availability of alcoholic beverages	41%	13%	17%	15%	9%	5%
Location	1%	2%	14%	40%	42%	1%
Service speed	2%	2%	19%	45%	32%	0%
Nutritious food	5%	8%	26%	35%	26%	1%
Availability of free Wi-Fi	44%	20%	18%	11%	5%	3%
Ambience/Décor	7%	12%	33%	34%	12%	1%
Customized meals that meet my dietary restrictions/taste preferences	19%	14%	23%	22%	17%	5%
Payment options	17%	15%	27%	23%	16%	1%
Wait time	1%	3%	18%	41%	37%	0%
Loyalty program	23%	20%	28%	17%	8%	3%
In-restaurant technologies (e.g., electronic ordering devices)	46%	21%	18%	8%	4%	3%
Ease of parking	6%	8%	25%	35%	25%	2%
Availability of take-out	18%	16%	24%	23%	18%	2%
Availability of drive-thru	30%	17%	21%	17%	13%	3%
Order accuracy	1%	2%	10%	29%	57%	1%
Other	14%	1%	10%	11%	59%	5%

Q14: How satisfied are you with your most-frequented restaurant on the following attributes?

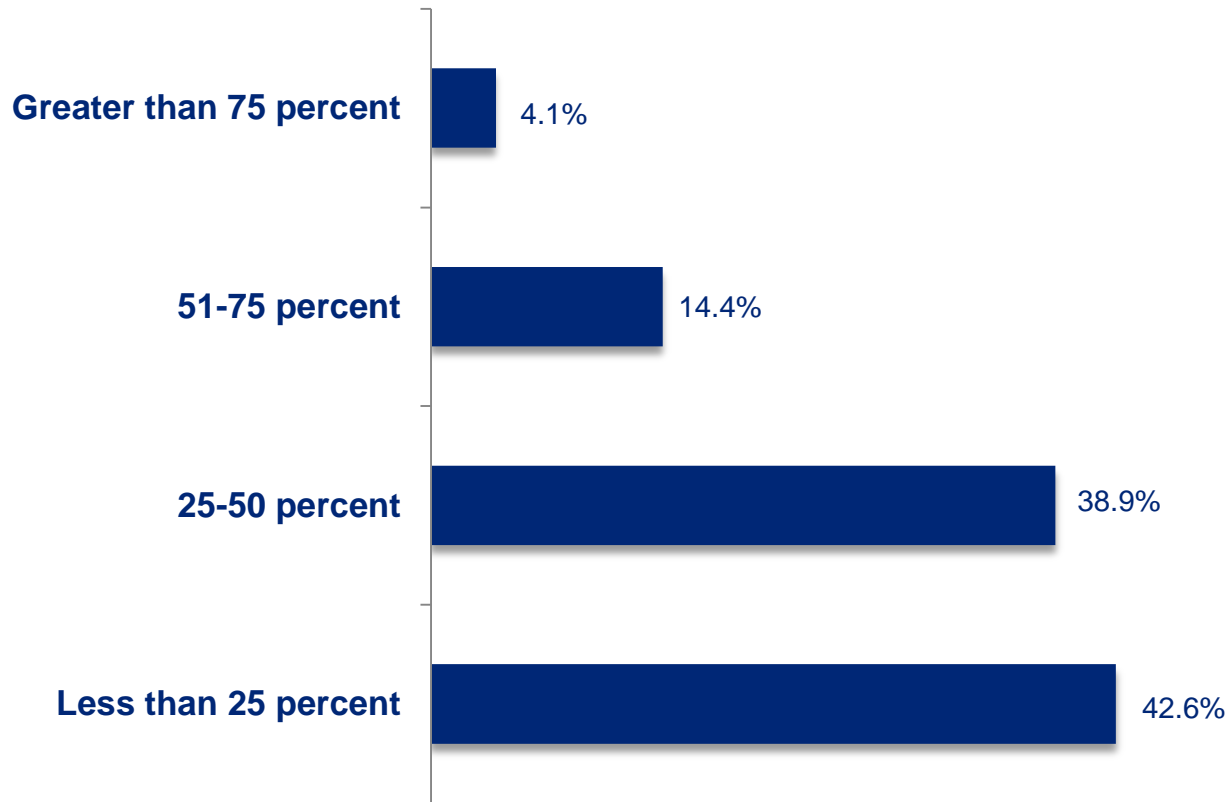
Attribute	1 - Very Dissatisfied	2	3	4	5 - Very Satisfied	N/A
Food taste	0%	1%	8%	32%	58%	1%
Food safety	1%	1%	11%	33%	52%	3%
Menu variety	1%	2%	12%	37%	48%	1%
Food quantity	1%	1%	11%	36%	51%	1%
Price	1%	2%	15%	40%	42%	0%
Friendliness of staff	1%	2%	12%	34%	50%	1%
Responsiveness of staff	1%	2%	13%	36%	48%	1%
Reputation	1%	1%	12%	34%	50%	2%
Availability of alcoholic beverages	6%	3%	11%	14%	23%	43%
Location	1%	2%	11%	31%	55%	1%
Service speed	1%	2%	12%	40%	45%	1%
Nutritious food	2%	7%	23%	33%	31%	4%
Availability of free Wi-Fi	6%	6%	17%	14%	15%	43%
Ambience/Décor	1%	4%	23%	36%	32%	5%
Customized meals that meet my dietary restrictions/taste preferences	3%	4%	19%	23%	27%	24%
Payment options	2%	2%	11%	25%	55%	6%
Wait time	1%	3%	14%	41%	40%	1%
Loyalty program	8%	8%	16%	12%	15%	41%
In-restaurant technologies (e.g., electronic ordering devices)	5%	6%	19%	14%	13%	42%
Ease of parking	1%	3%	14%	32%	44%	5%
Availability of take-out	1%	2%	11%	22%	47%	16%
Availability of drive-thru	5%	5%	12%	13%	28%	38%
Order accuracy	1%	2%	9%	33%	54%	1%
Other	7%	1%	7%	16%	54%	14%

Q15: How often do the following factors influence your decision to revisit your most frequented restaurant?

Attribute	Never	Rarely	Sometimes	Often	Always
Food taste	2%	2%	16%	41%	38%
Food safety	10%	9%	23%	31%	27%
Nutritious food	12%	15%	31%	28%	14%
Food quantity	5%	7%	27%	37%	23%
Availability of free Wi-Fi	58%	17%	15%	7%	4%
Friendliness of staff	7%	11%	27%	34%	21%
Responsiveness of staff	7%	9%	28%	36%	20%
Service speed	5%	7%	30%	40%	18%
Promotions (happy hours, special events, etc.)	28%	17%	28%	18%	8%
Advertisements	27%	21%	32%	15%	5%
Coupons (i.e. mailed coupons, deal-of-the-day)	25%	17%	29%	19%	10%
Menu variety	4%	6%	29%	40%	20%
Group consensus	20%	16%	34%	23%	7%
Spur of moment decision/Drive-by	13%	18%	39%	23%	8%
Preference of Family/friends	16%	13%	35%	27%	10%
Influence of children's opinion	55%	13%	18%	10%	5%
Kid friendliness	50%	13%	17%	12%	7%
Popularity of a restaurant on social media sites	56%	17%	16%	8%	4%
Loyalty program	50%	17%	16%	10%	6%
Prior experience	2%	3%	18%	41%	35%
Location	2%	5%	25%	43%	25%
Payment options	30%	18%	24%	19%	10%
Out of habit	11%	12%	36%	31%	11%
Availability of take-out	26%	14%	22%	23%	15%
Availability of drive-thru	45%	11%	17%	16%	10%
In-restaurant technology	59%	18%	14%	6%	3%
Value for money	3%	5%	25%	42%	25%
Reputation	6%	8%	30%	35%	20%

Q16: During the past 30 days, what proportion of your restaurant spending was at your most-frequented restaurant?

Proportion of Restaurant spend

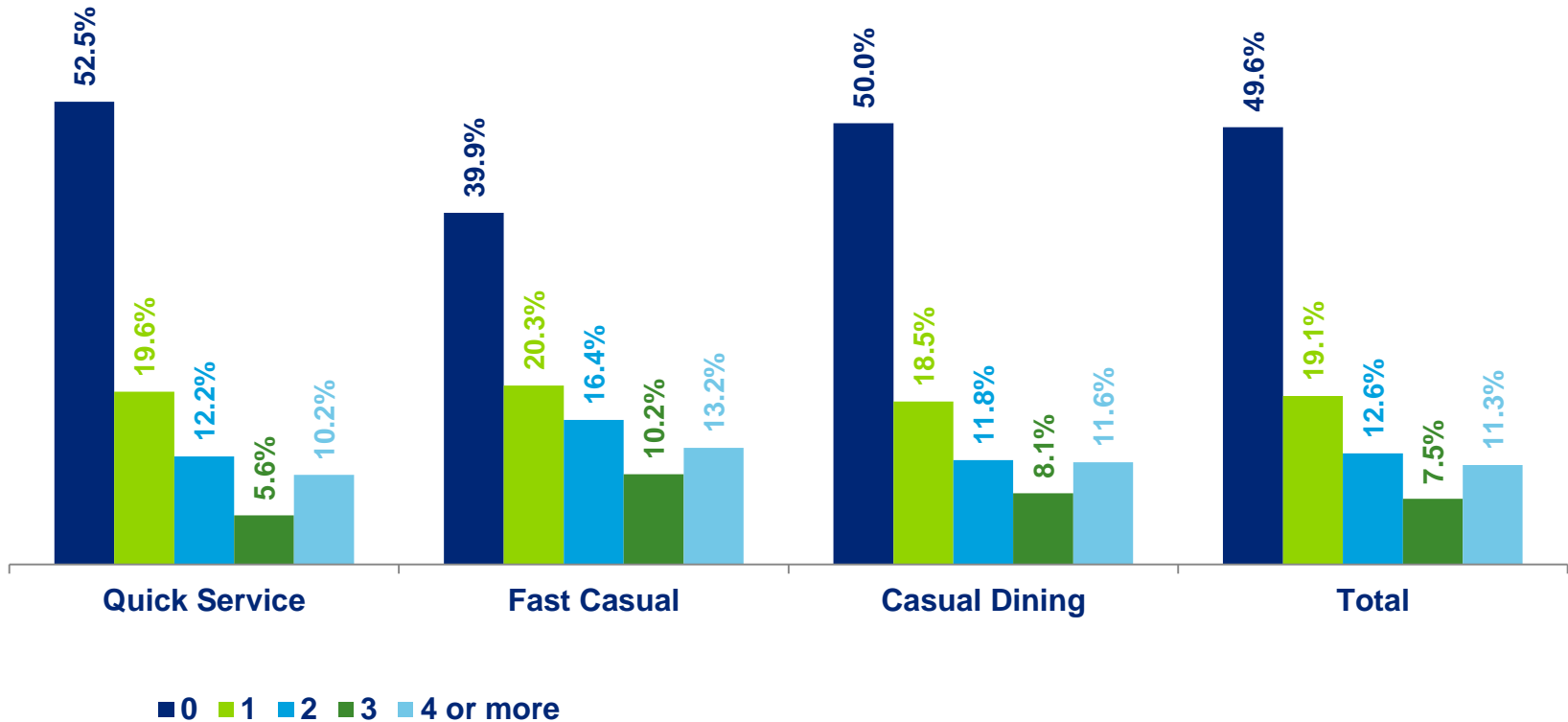


Q17: Please indicate how much you agree or disagree with the following statements about your most-frequented restaurant

Attribute	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	N/A
I have developed a liking for the signature menu items offered by this restaurant	3%	4%	21%	41%	29%	2%
It has the best loyalty program in the restaurant industry	16%	12%	29%	7%	4%	32%
I have built a personal relationship with the restaurant brand and its people.	11%	18%	34%	21%	11%	5%
I will switch to a competing restaurant brand to take advantage of a short-term promotion.	11%	15%	31%	28%	9%	5%
I will be a brand ambassador for this restaurant, if asked	10%	13%	32%	25%	15%	5%
I voluntarily provide constructive criticism and feedback.	10%	13%	29%	30%	13%	5%
I dine at the same restaurant on business or personal occasions.	7%	11%	27%	30%	13%	11%
I will recommend it to my friends and relatives.	2%	3%	22%	42%	30%	1%
I will dine at the same restaurant next time.	2%	4%	29%	42%	22%	1%
I would be willing to pay a membership fee to join its loyalty program.	48%	20%	13%	6%	3%	9%
I developed a liking for the restaurant because of the loyalty program.	26%	19%	18%	9%	4%	25%
I will continue to patronize this restaurant even if it discontinues the loyalty program.	3%	3%	21%	29%	19%	25%
I would switch to a competing loyalty program that announces better rewards.	15%	17%	29%	15%	6%	18%

Q18: Please select the number of restaurant loyalty programs that you are a member of

Loyalty program ownership by most frequented restaurant format



No of responses: Total = 4,093; Quick Service = 1,487; Fast Casual = 537; Casual Dining = 2,069

Note: Responses are grouped by most frequented format but refer to loyalty programs of all formats.

Q18A. Why did you not join any restaurant loyalty programs?

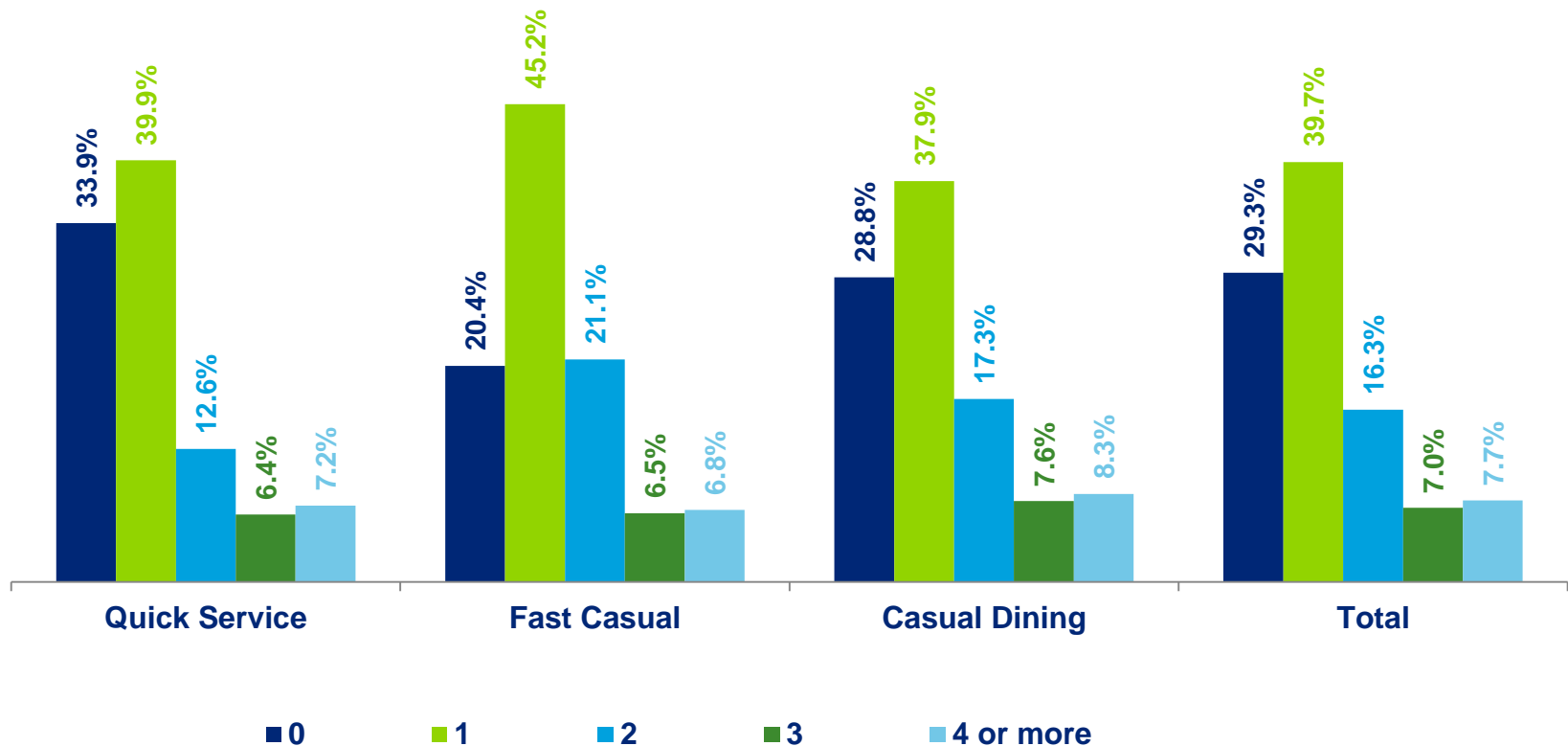


N = 2,029

Multi-select question. Does not add to 100% as this is a multiple choice question.

Q19: Please select the number of restaurant loyalty programs you used in the past 30 days

Loyalty program activity rate by restaurant format



Note: The above activity rate is only for the respondents who belong to at least one loyalty program

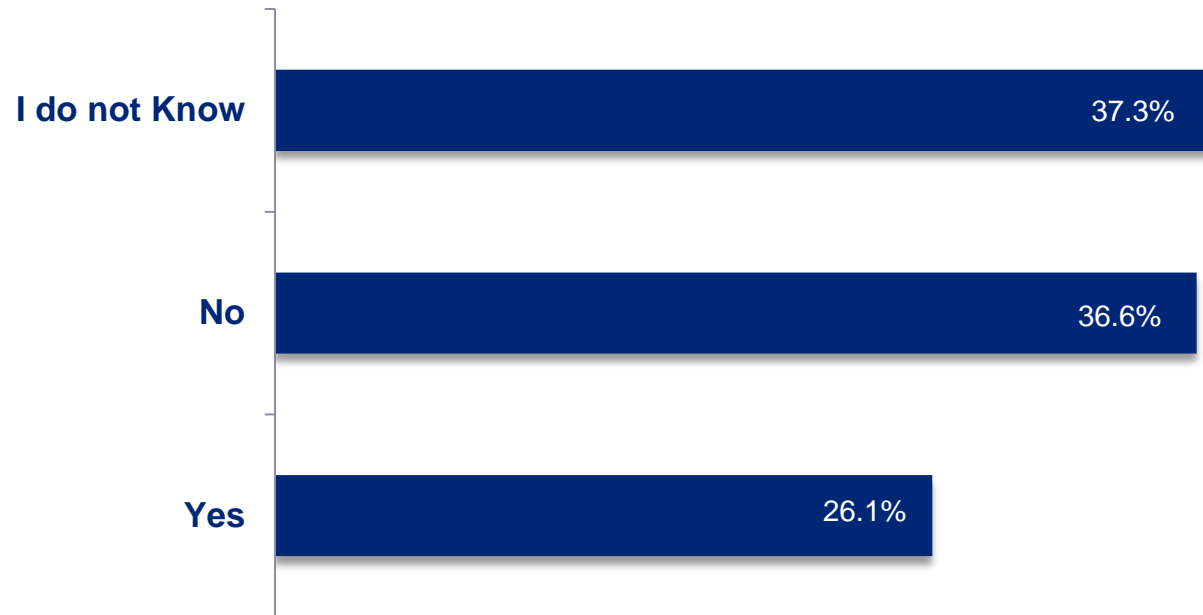
No of responses: Total = 2,064; Quick Service = 707; Fast Casual = 323; Casual Dining = 1,034

Q20: Please rate the importance of the following attributes/benefits while selecting a loyalty program

Attribute/benefit	1-Not Important	2	3	4	5-Very Important	N/A
Can be used across multiple restaurants of the same chain	4%	3%	16%	32%	42%	3%
Rewards with points	4%	4%	18%	35%	38%	2%
Cash back on money spent at the restaurant	6%	6%	21%	30%	33%	4%
Provides option to enroll and track points online	7%	6%	24%	32%	29%	3%
Provides status levels linked to dollars spent	10%	8%	26%	29%	22%	4%
Rewards with freebies like free appetizers, buy one get one, etc.	2%	2%	13%	30%	52%	1%
Pushes coupons to my smart phone whenever I visit their restaurant	17%	6%	20%	23%	22%	11%
Provides opportunity to earn rewards through partners (e.g., credit cards)	12%	9%	25%	27%	22%	6%
Provide opportunities to use points to spend at partners (grocery retail, movies, etc.)	11%	9%	24%	29%	23%	5%
Provides opportunity to earn rewards via participation in contests and point of purchase games	16%	12%	25%	24%	18%	5%
Ease of earning VIP status	9%	7%	25%	29%	27%	4%
Guaranteed table	12%	10%	25%	26%	20%	7%
Exception from waiting in line during busy hours	9%	8%	22%	28%	26%	7%
Special offers for birthday's and other personal events	3%	3%	16%	31%	45%	2%
Personalized service when dining	11%	8%	29%	28%	19%	4%
Other	14%	3%	7%	10%	48%	17%

Q21: Does your most-frequented restaurant offer a loyalty program?

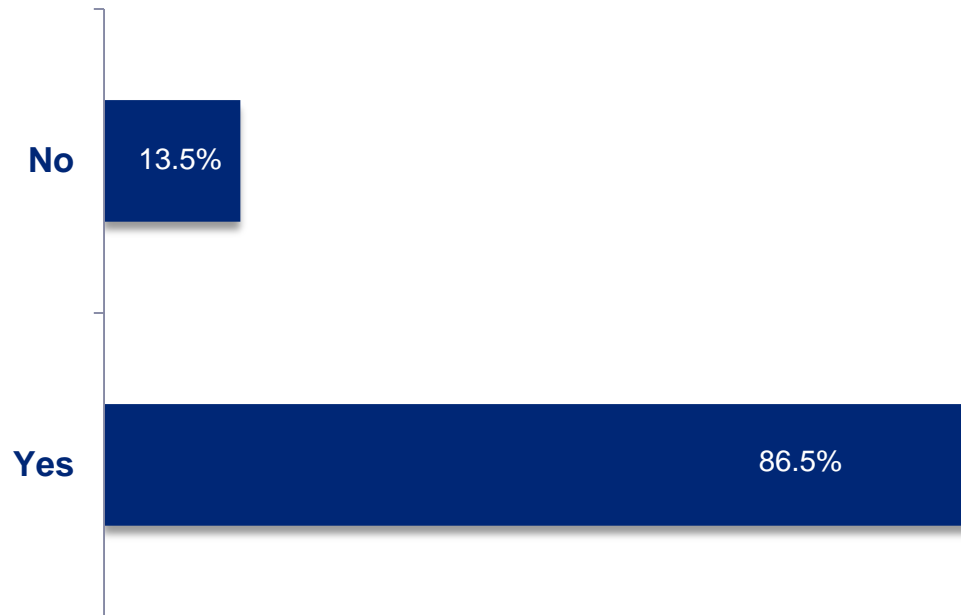
Restaurant loyalty program offer rate



N = 2,064

Q22: Do you have membership to the loyalty program of your most-frequented restaurant?

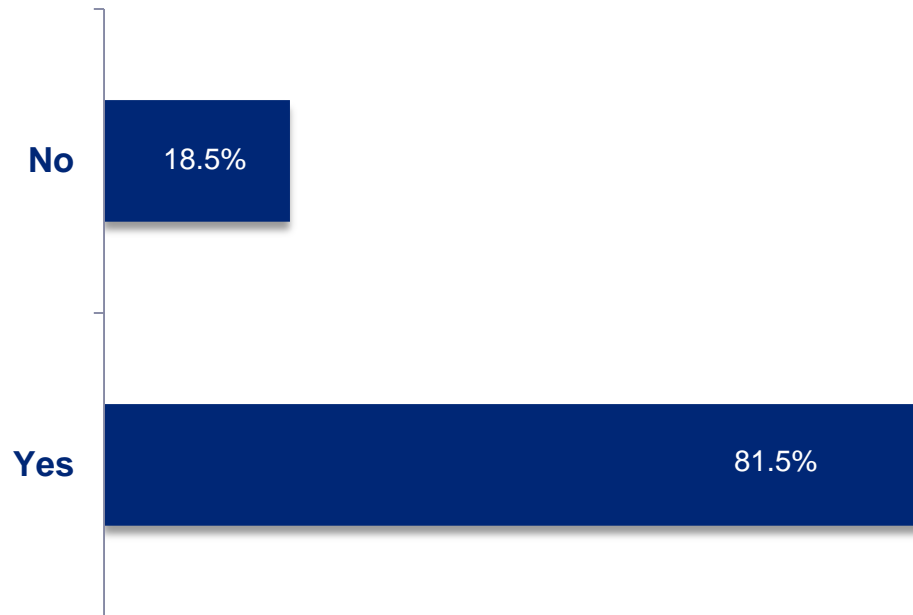
Restaurant loyalty program ownership rate



N = 539

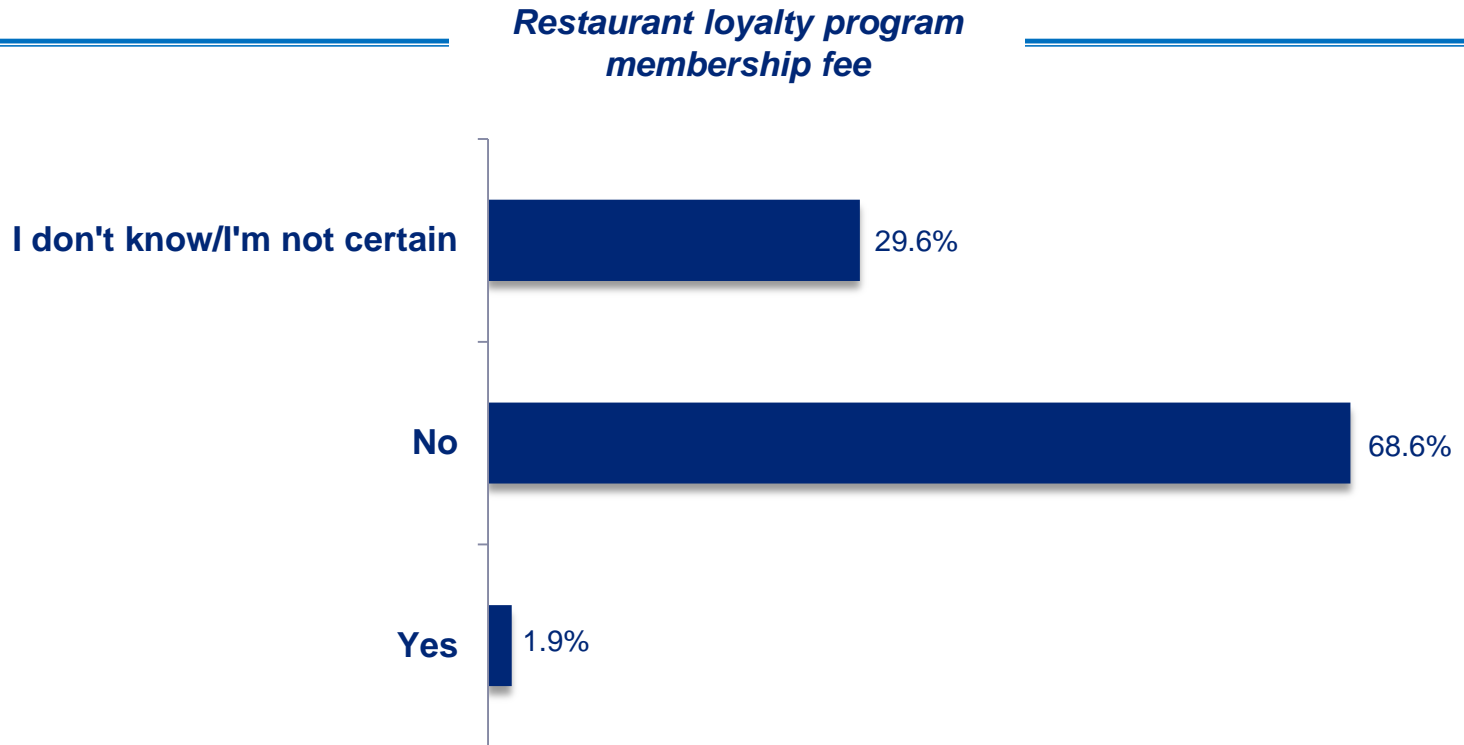
Q22A: Is the loyalty program of your most-frequented restaurant your most frequently used restaurant loyalty program?

Restaurant loyalty program usage rate



N = 466

Q22D: Does your most-frequented restaurant charge a membership fee to join its loyalty program?



N = 159

Q22E: If your most-frequented restaurant offered a loyalty program, would you be willing to join?

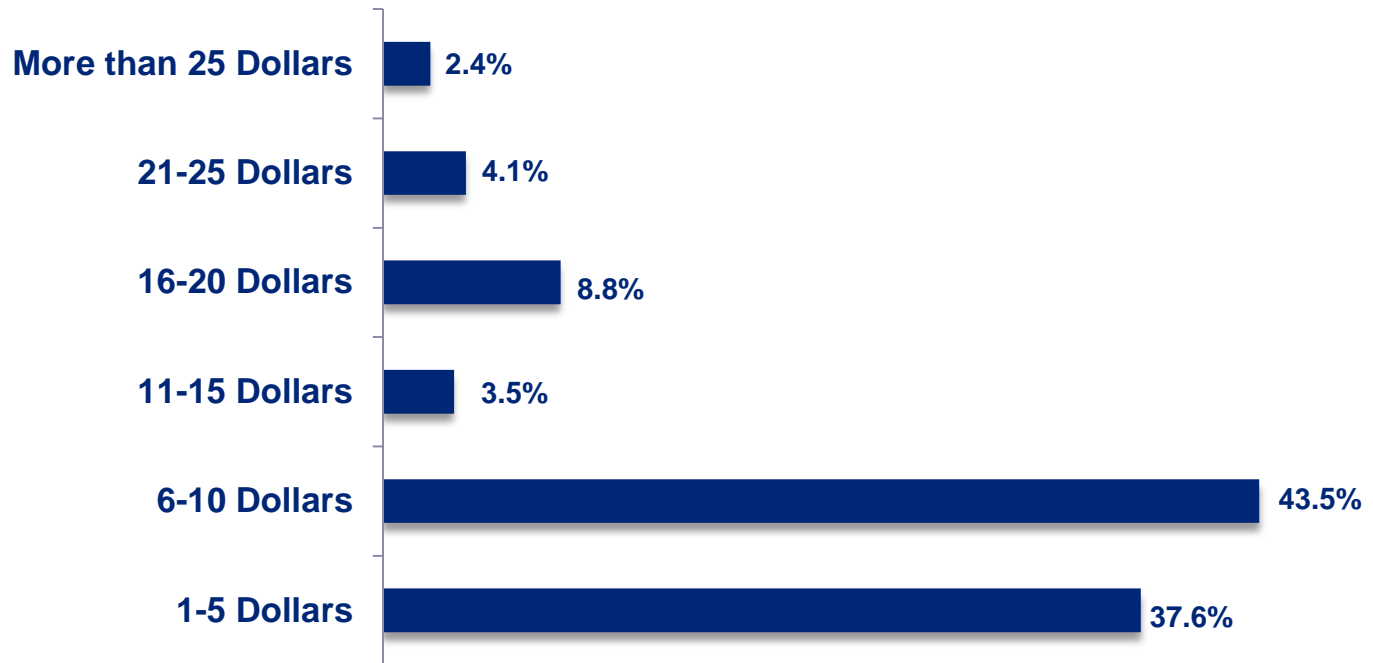
Willingness to pay a membership fee



N = 1,525

Q22F: What is the most that you would be willing to pay to join in a loyalty program of your most-frequented restaurant under any circumstances?

Restaurant loyalty program membership fee



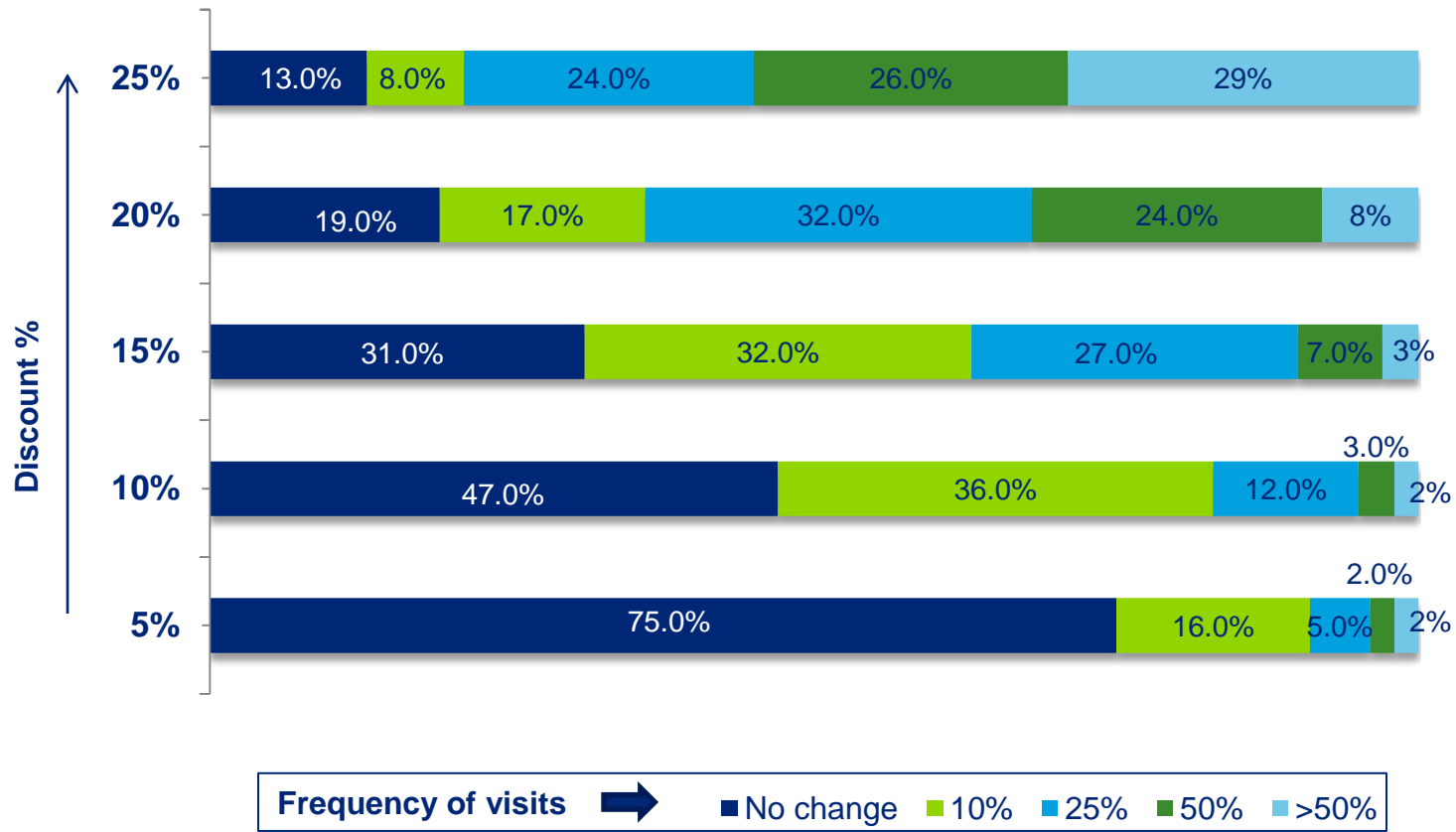
N = 170

Q24: How satisfied are you with your most-frequented restaurant's loyalty program?

Attribute	1 - Very Dissatisfied	2	3	4	5 - Very Satisfied	N/A
Can be used across multiple restaurants of the same chain	4%	5%	15%	16%	32%	28%
Rewards with points	2%	4%	18%	22%	32%	20%
Cash back on money spent at the restaurant	6%	8%	19%	12%	12%	43%
Provides option to enroll and track points online	3%	5%	19%	21%	30%	23%
Provides status levels linked to dollars spent	4%	6%	20%	18%	18%	33%
Rewards with freebies like free appetizers, buy one get one, etc.	2%	4%	18%	24%	39%	13%
Pushes coupons to my smart phone whenever I visit their restaurant	6%	8%	18%	13%	12%	42%
Provides opportunity to earn rewards through partners (e.g., credit cards)	6%	8%	19%	11%	10%	46%
Provide opportunities to use points to spend at partners (grocery retail, movies, etc.)	7%	9%	18%	10%	9%	47%
Provides opportunity to earn rewards via participation in contests and point of purchase games	5%	8%	22%	14%	12%	40%
Ease of earning VIP status	4%	6%	21%	17%	17%	35%
Guaranteed table	6%	8%	18%	11%	9%	49%
Exception from waiting in line during busy hours	7%	9%	19%	11%	10%	45%
Special offers for birthday's and other personal events	3%	4%	17%	21%	39%	16%
Personalized service when dining	5%	8%	21%	16%	15%	35%
Other1	3%	10%	14%	3%	34%	34%
Other2	15%	6%	3%	3%	53%	21%

Q26: To what extent will the following discounts influence the frequency of your visit to your most-frequented restaurant?

Influence of discounts on frequency of visits



Q27: Preferred frequency of interaction

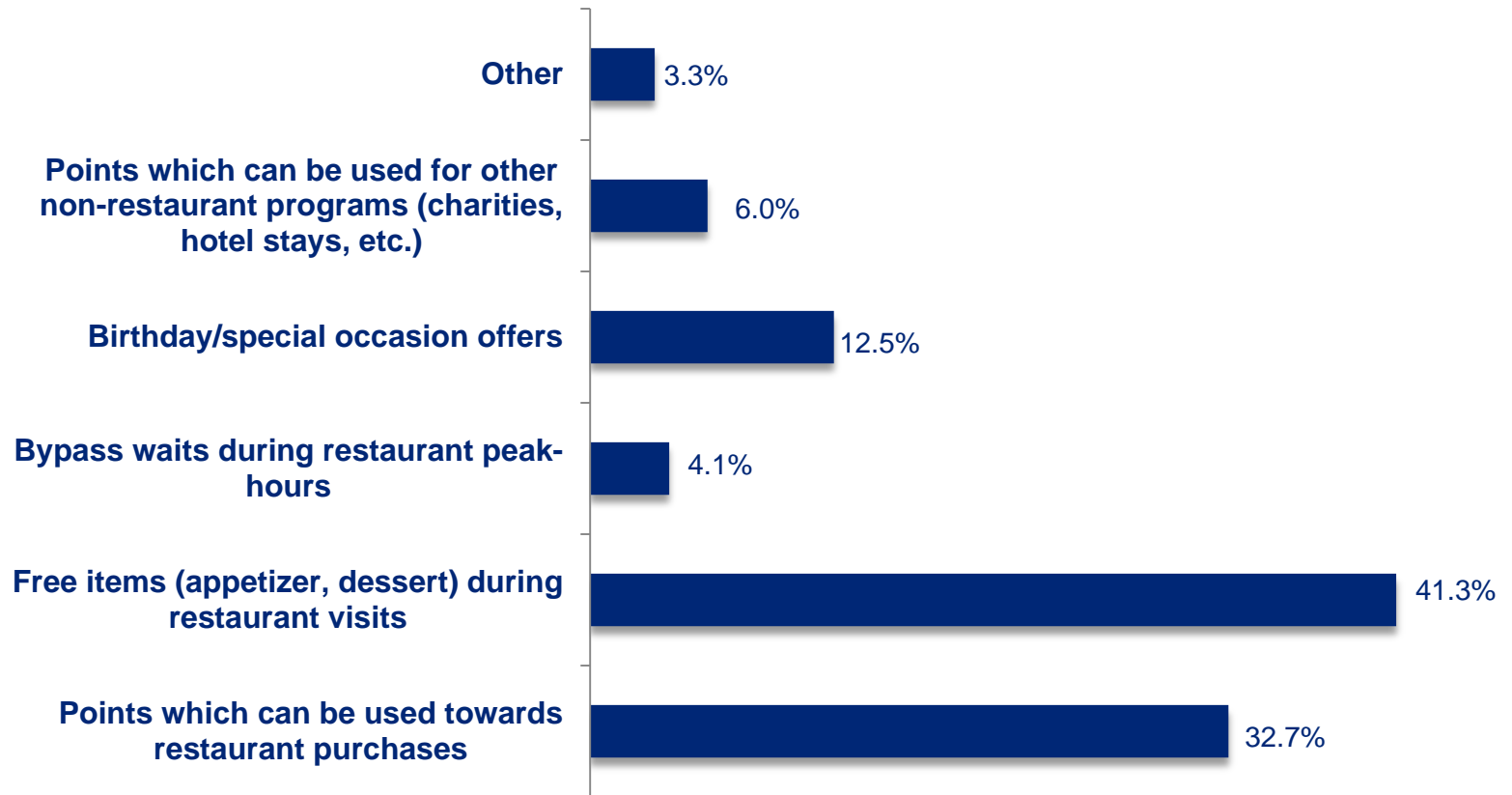
Attribute	Never	Rarely	Sometimes	Often	Always
Engage via social networks and media	56%	19%	18%	5%	2%
Engage via other location-based social media channels	57%	19%	18%	4%	2%
Contact on telephone	76%	12%	9%	2%	1%
Engage via email	21%	17%	39%	16%	7%
Engage via postal mail	33%	18%	32%	13%	5%
Send menu related news	29%	20%	36%	11%	4%
Contact me after purchase for feedback	37%	24%	28%	7%	3%
Print/Broadcast advertisements	30%	19%	36%	11%	3%
Send personalized messages that meet my dining needs	33%	18%	33%	12%	4%
Other	25%	5%	10%	28%	33%

Q27A: Actual frequency of interaction

Attribute	Never	Rarely	Sometimes	Often	Always
Engage via social networks and media	75%	10%	10%	4%	1%
Engage via other location-based social media channels	78%	9%	9%	3%	1%
Contact on telephone	88%	5%	5%	2%	1%
Engage via email	62%	9%	17%	8%	3%
Engage via postal mail	65%	14%	15%	5%	1%
Send menu related news	67%	10%	16%	6%	1%
Contact me after purchase for feedback	78%	9%	9%	3%	1%
Print/Broadcast advertisements	48%	13%	25%	11%	3%
Send personalized messages that meet my dining needs	76%	10%	10%	3%	1%
Other1	62%	10%	15%	8%	5%
Other2	45%	8%	10%	23%	15%

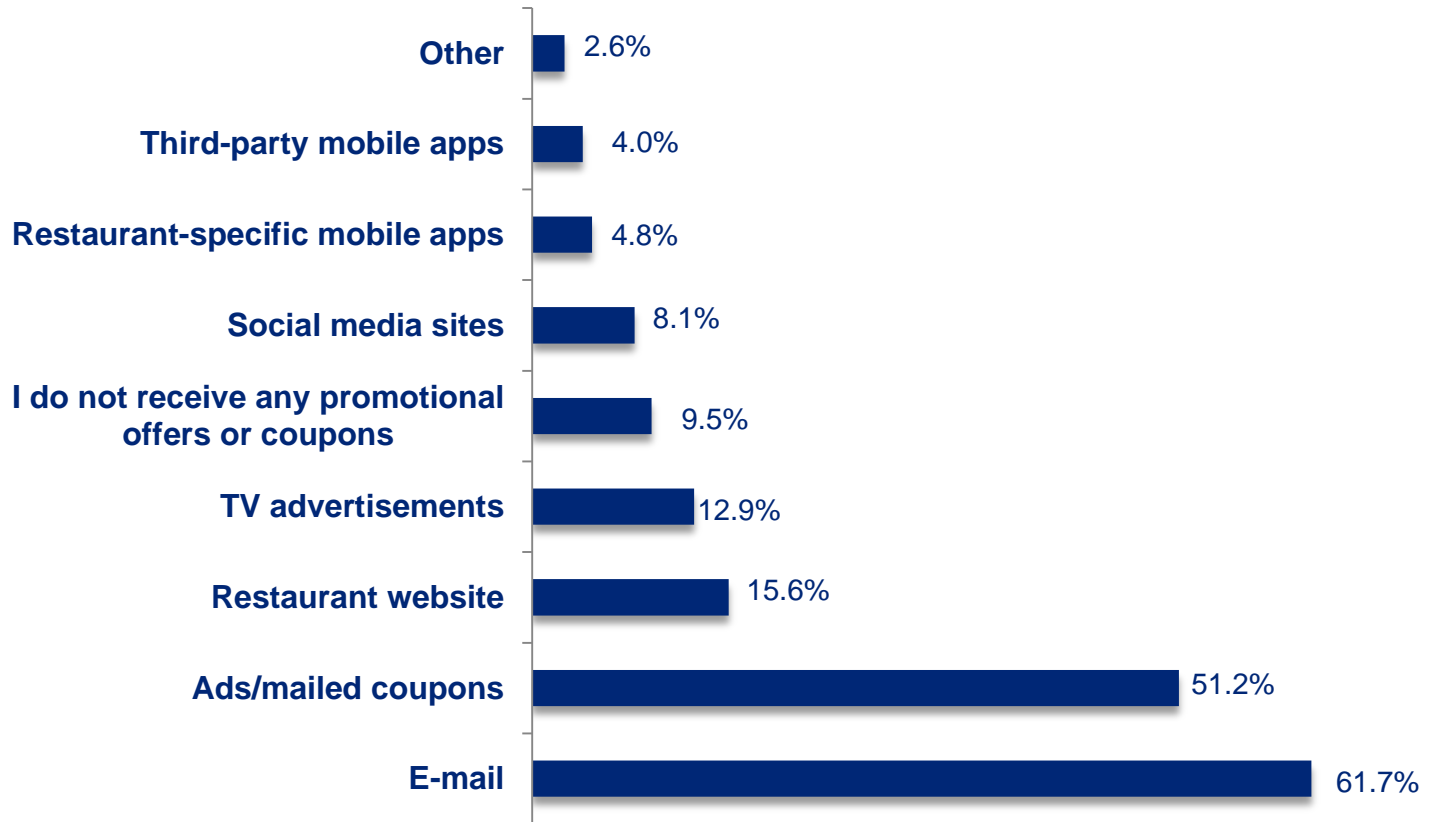
Q28. What type of restaurant rewards do you value the most?

Most valued restaurant rewards



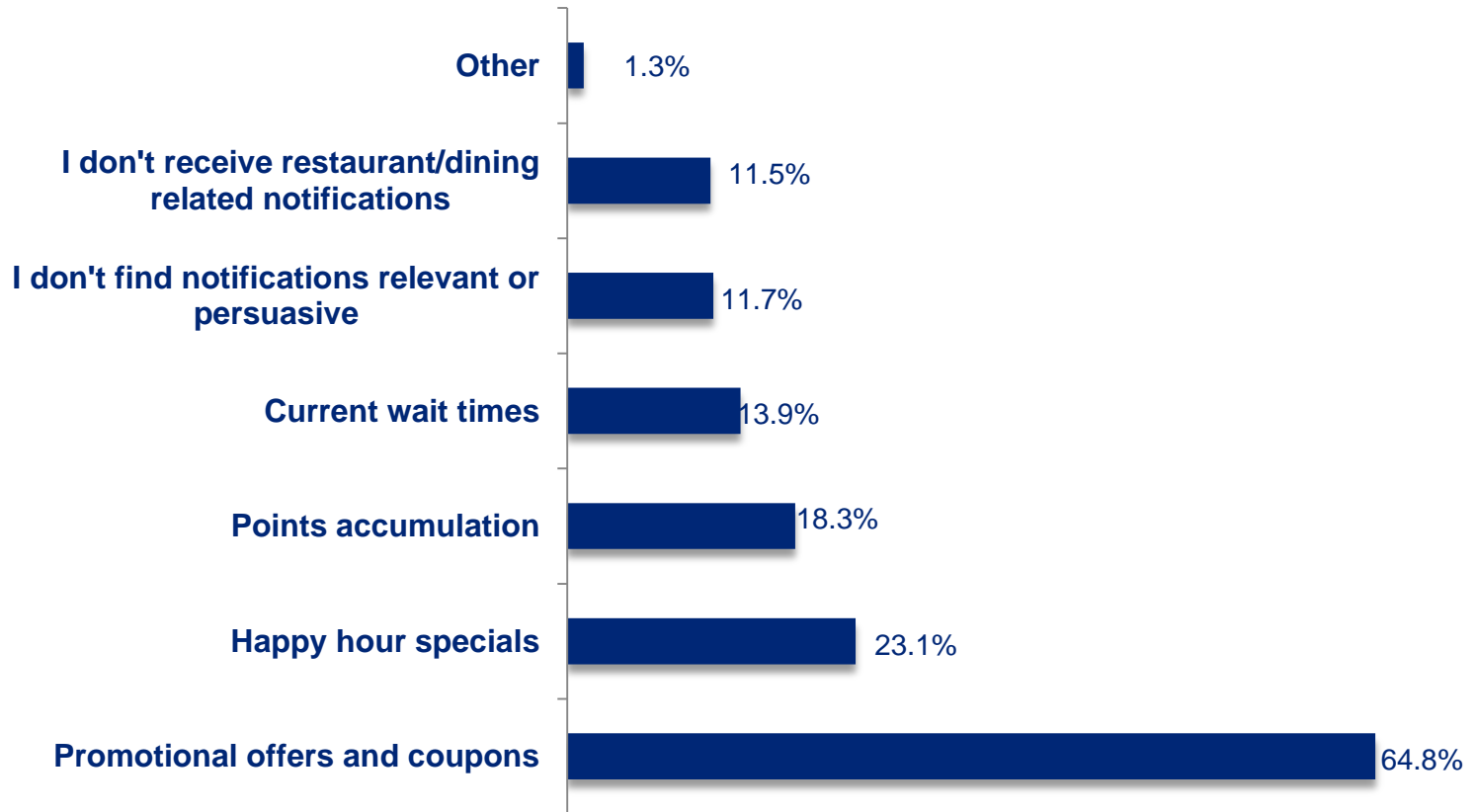
Q29. How do you usually receive promotional offers and coupons for restaurants?

Mode of receiving promotions



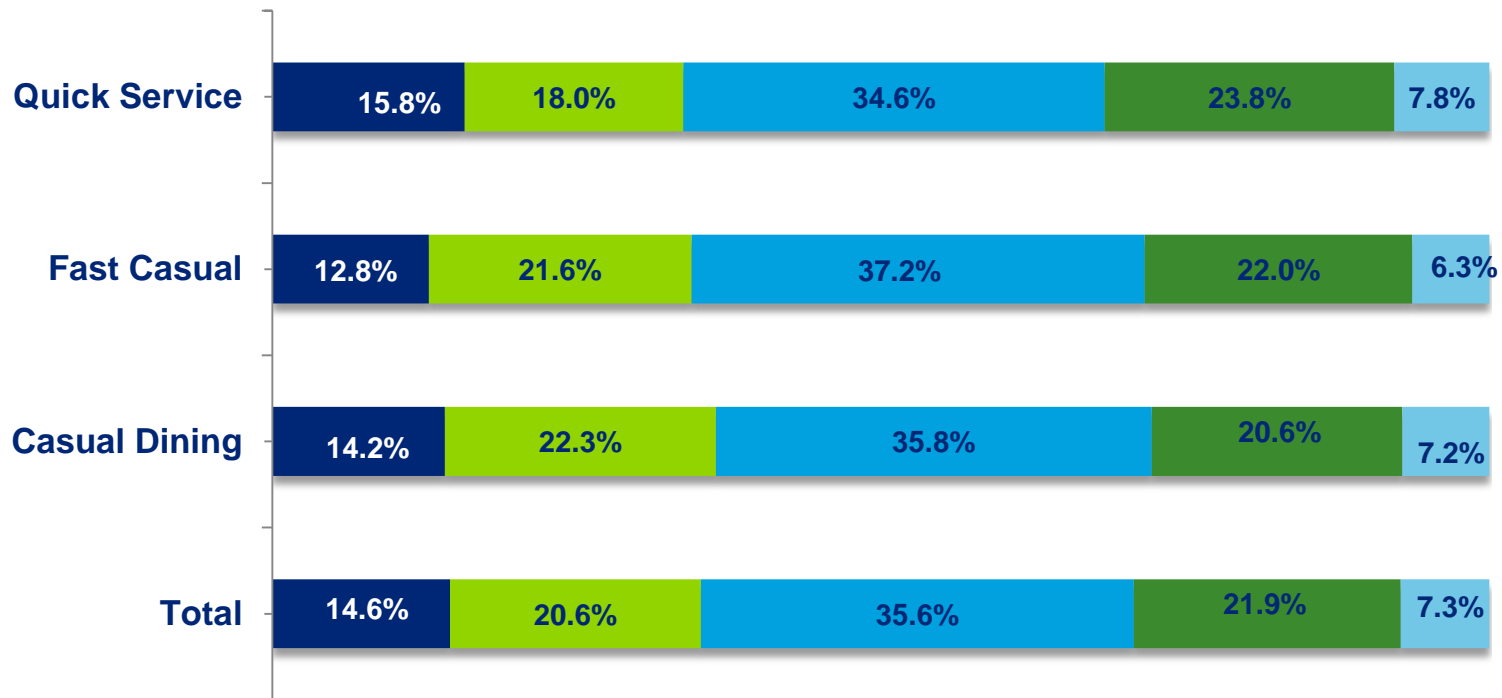
Q30. What type of restaurant-specific notifications have influenced your dining decisions and behaviors:

Most influential restaurant-specific notifications



Q31: How often do you redeem promotional offers or coupons when dining out at the following restaurant formats?

Promotional offers/coupons redemption rate



Frequency of redemption → ■ Never ■ Rarely ■ Sometimes ■ Often ■ Always

No of responses: Total = 4,093; Quick Service = 1,487; Fast Casual = 537; Casual Dining = 2,069.

38 Note: Responses are grouped by and refer to respondents' self-identified most frequented format

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