# Restaurant Choice

What Drives Restaurant Choice by Segment

Date: August 2024

# Leger’s Investment in Restaurant Clients

Leger has and is continuing to invest in our restaurant clients. Today, we’re happy to share what we know about visit frequency and choice drivers by the restaurant segments below. The objective is to help our restaurant clients strategically position their brands within their respective competitive contexts.

**The business objective being: How do we get them to visit one more time?**


Quick-Serve restaurants such as McDonalds, KFC, Taco Bell, Chick-fil-A, or Subway where you order and get your food order at the counter | Convenient Serve restaurants such as Corner Bakery, Panera Bread, or Culvers where you order at the counter but the food order is brought to your table


Convenient Dining restaurants such as Olive Garden, Longhorn Steakhouse, Cheddars, Applebees, Denny's, or IHOP where a waiter/waitress that takes your order and the order is brought to your table


Fine Dining restaurants such as Capital Grille, Ruth's Chris, Flemings, Morton's or a local fine dine restaurant in your area

# Survey Specifications

*Respondents were surveyed on their past month visits to different restaurant types and what drives restaurant appeal via a MaxDiff exercise.*

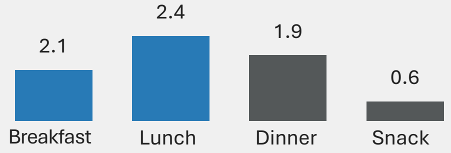
## Restaurant Choice Drivers Study

| | |
|---|---|
| **Country** | USA |
| **Screening Criteria** | **Adults aged 18 or older who are past-month visitors to any restaurant***<br>1. Quick-Serve Restaurant<br>2. Convenient-Serve Restaurant<br>3. Convenient-Dine Restaurant<br>4. Fine-Dine Restaurant |
| **Sample Sizes** | Total: n=915<br><br>**For Max Diff Drivers Question, sample is split into 3 groups:**<br>1. Quick-Serve Drivers Question: n=313<br>2. Convenient Dine Drivers Question: n= 301<br>3. Fine Dine Drivers Question: n=301 |
| **Field Dates** | 6/28/2024 – 7/3/2024 |
| **Method** | Online survey with MaxDiff exercise (see appendix for details) |

Sample: N=915 Adults 18+ who are past month visitors to any restaurant.
*Restaurant definitions: Quick-Serve restaurants such as McDonalds, KFC, Taco Bell, Chick-fil-A, or Subway where you order and get your food order at the counter | Convenient Serve restaurants such as Corner Bakery, Panera Bread, or Culvers where you order at the counter but the food order is brought to your table | Convenient Dining restaurants such as Olive Garden, Longhorn Steakhouse, Cheddars, Applebees, Denny's, or IHOP where a waiter/waitress that takes your order and the order is brought to your table | Fine Dining restaurants such as Capital Grille, Ruth's Chris, Flemings, Morton's or a local fine dine restaurant in your area

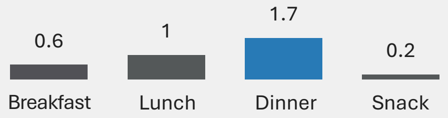
# While Quick/Convenient-Serve restaurant visits dominate more for breakfast or lunch, Convenient-Dine and Fine-Dine restaurant visits are more concentrated around dinner


## Past-Month Visits



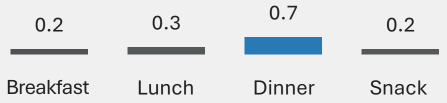

| Share within type: | Breakfast | Lunch | Dinner | Snack |
|---|---|---|---|---|
| | **23%** | **38%** | 29% | 9% |


## Past-Month Visits




| | Breakfast | Lunch | Dinner | Snack |
|---|---|---|---|---|
| | 16% | 29% | **49%** | 7% |


## Past-Month Visits



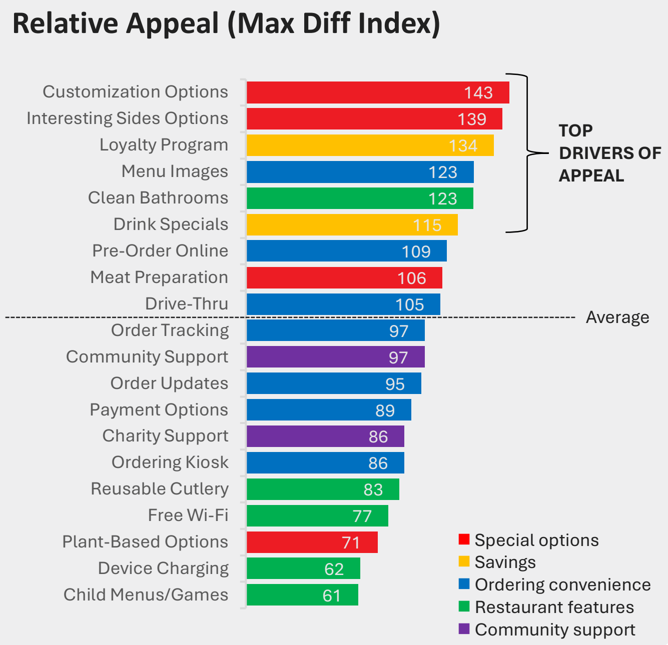

| | Breakfast | Lunch | Dinner | Snack |
|---|---|---|---|---|
| | 16% | 22% | **49%** | 14% |

Sample: N=915 Adults 18+ who are past month visitors to any restaurant
Q. Over the past month, how many times did you visit each type of restaurant for the following meals?

# QSR/Convenient-Serve Choice Drivers

In the context of the often-predictable QSR/Convenient-Serve restaurant experience, these customers are particularly drawn to features that give them **options,** especially through menu customization/options, a chance to save with a program or special drinks, and improved options for ordering.

1. **Special Menu Options,** such as order customization and interesting sides
2. **Chance to Save Money,** including a loyalty program and drink specials
3. **Ordering Convenience,** especially menu images and pre-ordering
4. **In-restaurant fundamentals,** primarily clean bathrooms




Sample: N=313 Adults 18+ who are past-month visitors to any quick or convenient-serve restaurant
Q. We will now show you features/benefits that [insert restaurant type] could offer. For each group, please select the feature/benefit that is most appealing, and the feature/benefit that is least appealing.

# Convenient-Dine Choice Drivers

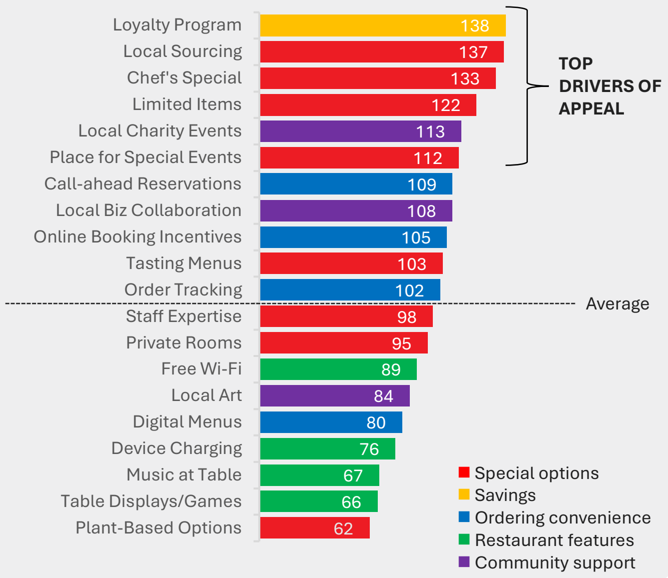
Convenient-Dine customers, on the other hand, are primarily looking for elements that **keep the restaurant interesting from visit to visit**, such as deals via a loyalty programs, changing menu items, and special events (especially those that connect with the community.)

**1. Increased Value** via a loyalty program

**2. Unique Offerings** such as food specials and events

**3. Showing Community Support** through charity events and local collaboration

## Relative Appeal (Max Diff Index)




Sample: N=301 Adults 18+ who are past-month visitors to any convenient-dine restaurant
Q. We will now show you features/benefits that [insert restaurant type] could offer. For each group, please select the feature/benefit that is most appealing, and the feature/benefit that is least appealing.

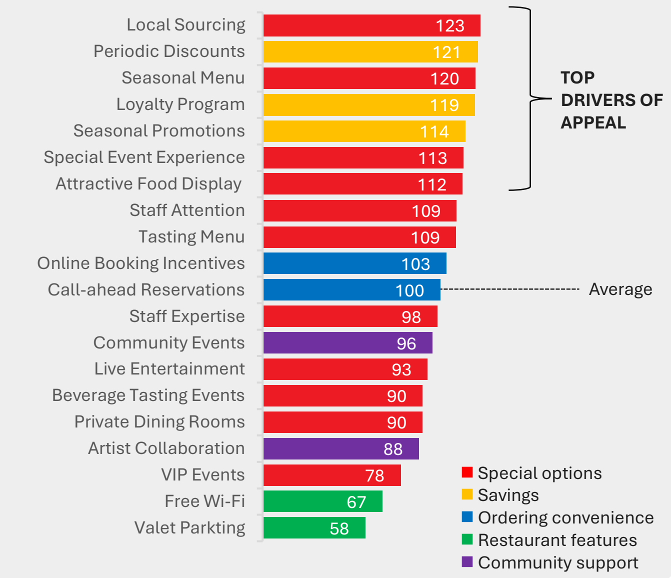
# Fine-Dine Choice Drivers

For Fine-Dine customers, the drivers of appeal are concentrated on elements that create an **extra special experience yet don't break the bank.** This can include unique seasonal menus and special events, alongside unexpected discounts and promotions.

1. **Having a special experience,** including seasonal menus, special events and expert staff on hand

2. **Getting unexpected deals,** such as periodic or seasonal discounts or a loyalty program

## Relative Appeal (Max Diff Index)




Sample: N=301 Adults 18+ who are past-month visitors to any convenient-dine restaurant
Q. We will now show you features/benefits that [insert restaurant type] could offer. For each group, please select the feature/benefit that is most appealing, and the feature/benefit that is least appealing.

# Top 5 Key Takeaways

## 1 Value

Value can be a key driver across all restaurant types, though it takes different forms. While deals are a cornerstone of the QSR experience, they have the chance to surprise and delight in the Convenient and Fine-Dine experience.

## 2 Convenience

Elements designed to offer a convenience to the customer are more appealing when they impact a clear goal of the experience, such as being able to order quickly at a QSR. But extra features like WiFi do not drive appeal and are seen as more of a nice-to-have.

## 3 Experience

For QSRs, the experience can be enhanced by providing options and improving the ordering process. But for Convenient and Fine Dine, the experience extends into limited menus, special events, and staff engagement.

## 4 Differentiation

The key to getting customers to visit one more time is uniqueness compared to their competition. That could be a menu item, menu options, a special experience, a relationship, or something else. The key is finding that difference that ranks high enough to evoke an additional visit.

## 5 Next Steps

The important next step for a brand is to see how it rates compared to its direct competition and where it can differentiate going forward.

2

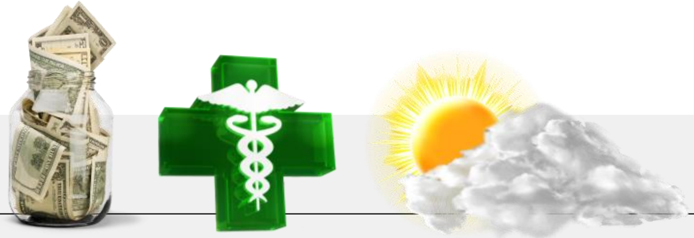
# Next steps
# Leger's approach

# It's what you do versus your competition that counts

Humans, by nature, are comparative beings. Therefore, restaurant selections/frequency is not only based on its communication strategy and media plan, but also how that strategic mix is positioned versus other choices and market factors.

**Burger Themed QSR Example**

## Macro/Market Context



Your Brand's Creative Strategy → Communication Strategy & Tactics

Your Brand's Media Plan → Communication Strategy & Tactics

Communication Strategy & Tactics → Your Brand's Marketing Mixes

In-Store Experience → Your Brand's Marketing Mixes

Your Brand's Marketing Mixes → Brand Equity

## Competitive Context

# Leger’s Approach

Our approach will offer a modular insights identifying potential drivers that can differentiate your brand’s equity vs. competition. Then, we will use those drivers to measure and monitor your brand’s marketing mix performance toward its strategic objective.

## Proposed

### Initial Baseline study

**A&U Study to Identify Key Drivers of CKE’s Competitive Segment**

**Identify Drivers and Establish Baseline Measures for Each**

Determine key drivers of desired consumer behavior to monitor going forward.

**Restaurant Driver MaxDiff by Market Segment**

Measuring the relative important of restaurant-choice drivers for each segment

***Results available in this report**

## Current

### Incorporating Identified Drivers Into Ongoing Tracker

**Marketing Strategy & Tactics**

**Adjust your brand’s Marketing Mix Elements**

Work with Marketing & Agencies to possibly adjust market strategy towards better positioning brands versus competitive & market contexts.

**Incorporating Identified Key Drivers Into the Current Monthly Tracker**

**Ongoing Brand Tracker**

Tracking results will measure the effect of marketing activity on identified consumer demand drivers as well as overall US consumer demand

# 3

# Appendix

# MaxDiff (Maximum Difference Scaling)

- MaxDiff is a choice-based method for determining a hierarchy of relative performance (such as appeal or motivation to purchase) among a list of claims.
- In this exercise, respondents choose the most and least preferred options from a set of claims on a screen. This is repeated multiple times for each respondent.

| **Most Appealing** | **Which claim is most appealing and which is least appealing?** | **Least Appealing** |
|---|---|---|
| ❍ | Claim A | ❍ |
| ❍ | Claim B | ❍ |
| ❍ | Claim X | ❍ |
| ❍ | Claim Z | ❍ |
| ❍ | Claim K | ❍ |

- This technique allows for a statistical model to be created on the back-end that generates a utility score for each claim based on selections made within the survey. These scores are then indexed for ease of comparison and to demonstrate relative strength.

# Our Credentials

### Canadian Research Insights Council (CRIC)

Leger is a member of the Canadian Research Insights Council (CRIC), the industry association for the market/survey/insights research industry.

### ESOMAR

Leger is a member of ESOMAR (European Society for Opinion and Market Research), the global association of opinion polls and marketing research professionals. As such, Leger is committed to applying the international ICC/ESOMAR code of Market, Opinion and Social Research and Data Analytics.

### Insights Association

Leger is also a member of the Insights Association, the American Association of Marketing Research Analytics.

### Worldwide Independent Network Of Market Research (WIN)

Leger is a member of the Worldwide Independent Network of Market Research (WIN), a global alliance of leading independent market research and polling firms that collaborate to share expertise, methodologies, and insights across diverse markets.

# Our services

**Market Research**
End-to-end research solutions

**Customer Experience (CX)**
Strategic and operational customer experience consulting services

**Leger Analytics (LEA)**
Data modelling and analysis

**Leger Opinion (LEO)**
Panel management

**Leger Communities**
Online community management

**Leger Digital**
Digital strategy and user experience

**Products**
Solutions that integrate AI, innovation, and the latest technologies

**International Research**
Worldwide Independent Network (WIN)

**600**
employees

**8**
offices

NEW YORK | MONTREAL
TORONTO | WINNIPEG
EDMONTON | CALGARY
VANCOUVER | QUEBEC CITY

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