

2013 QSR REPORT

Addressing today's challenges with customer analytics.

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Buxton®

QUICK ANSWERS FOR QUICK SERVE.



The Quick Serve Restaurant industry was built on speed. And to thrive today, you have to be fast on your feet when it comes to spotting new trends, evaluating opportunities for growth, and understanding what your customers really want.

Expanding into new markets. Experimenting with new concepts and formats. Attracting new franchisees. Rolling out new menu items. Strategic initiatives like these come with big challenges. Fortunately, customer analytics provides the big answers to tackle them.

challenge No. 1:

UNDERSTANDING CUSTOMERS BY DAYPART

Chances are your 10 AM guest is totally different from your 8 PM guest – and understanding the difference can yield huge results. To truly know what your customers want, you need to drill down and see what differentiates your various QSR guests by daypart. But how can you discover the differences between your guests from different times of the day?

the big answer:

PROFILE EVERY DAYPART

BEGIN WITH YOUR CUSTOMER DATA, combine that with time-stamped data from Visa credit card transactions, and you get the best picture yet of how dayparts vary – and who your customers are at any given time.



See how your morning, lunch, dinner, snack and late night guests vary by **DEMOGRAPHIC, INCOME, LIFESTYLE AND DRIVE-TIME**.



Identify the dayparts that represent the best **PROSPECTS FOR GROWTH** for any given location.



Give **NEW GUIDANCE** to your product development team by determining which dayparts hold the best opportunity for your brand.



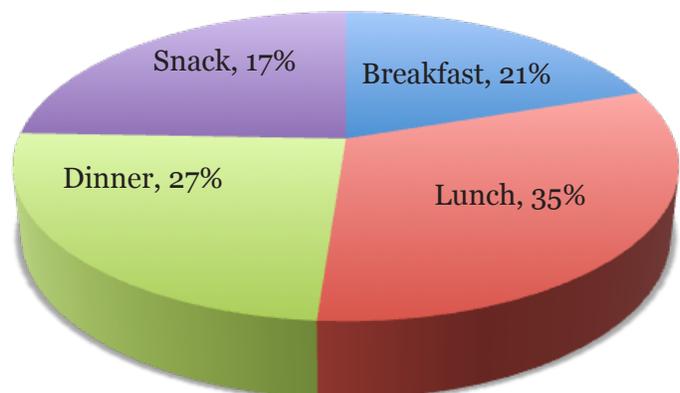
Integrate your brand's "**DAYPART STRATEGY**" with your site location strategy to ensure optimum success going forward.

Hottest Potential Daypart for QSR.

FOCUS ON BREAKFAST.

In the past five years, QSRs have increased their share of breakfast by 8%, and have accounted for almost 60% of the industry's traffic growth. Brands like Wendy's, Jamba Juice and Taco Bell are entering the breakfast daypart, while Burger King and others have enhanced their coffee and morning beverage selection to claim their share of this daypart.

QSR Traffic



challenge No. 2:

ANALYZING THE COMPETITIVE LANDSCAPE

QSRs initially benefitted from a slowing economy, but now they are facing competitive threats from all directions. The Fast Casual category is growing, and c-stores are embracing initiatives to boost their food and drink offerings. How can you be more competitive in this shifting landscape?

the big answer:

EVALUATE BOTH DIRECT & INDIRECT COMPETITION

Determining the competitive landscape of a market means going beyond looking at your traditional direct competitors. **THROUGH CUSTOMER ANALYTICS**, you see the threats and opportunities that lie within any new trade area.



Analyze the true level of **MARKET SATURATION** by taking into account the potential impact of QSR, casual dining restaurants, fast casual and c-store competitors.



Identify **DESIRABLE LOCATIONS** that put you near competitors who have a lower perceived quality or value than your brand.



Pinpoint the markets and specific locations that are **BEST ALIGNED** with your product offering and daypart strategy.



IDENTIFY areas where the income, psychographic and demographic characteristics are best aligned with your brands.

A Convenient Opportunity.

82% OF CONSUMERS SAID
82% THEY BUY
PREPARED FOODS OR BEVERAGES
ONCE A MONTH.

A Technomic study of more than 3,700 consumers found that 82% of survey respondents said they buy prepared foods or beverages from convenience stores once a month and 52% do so once a week.



More people are choosing to shop at c-stores for prepared foods and beverages.

challenge No. 3:

ROLLING OUT NEW FORMATS

QSRs are exploring a variety of options in response to market saturation: remodeling, experimenting with new prototypes, partnering with complementary businesses, introducing new menu items and expanding into non-traditional locations. With all the options, how can you determine

WHAT STRATEGIES ARE BEST FOR YOUR BRAND?

the big answer:

SUPPORT BIG INITIATIVES WITH BIG DATA

Remodeling, launching new concepts, and rolling out new menu items can all be costly endeavors. **BEFORE YOU COMMIT**, you need to make sure that you have the data to support your move. Again, the smart use of customer analytics allows you to:



Get the maximum ROI from remodeling by not simply identifying outdated stores, but by **PINPOINTING UNDERPERFORMING LOCATIONS** that have the untapped demand and customer base to yield the biggest immediate return.



Analyze the potential for a new or **STREAMLINED FORMAT**, and identify markets that represent the best fit for it.



Determine whether **NON-TRADITIONAL SITES** such as college campuses, airports, shared locations and other options are smart moves for your brand.

POLLO CAMPERO HAD 3 DECADES OF SUCCESS IN CENTRAL AMERICA BEHIND THEM.

As they eyed the US market, Buxton was able to give them the data support they needed to adjust their format, design and menu offerings to target new environments: densely populated urban sites, middle-class neighborhoods, and higher-income suburban sites. Finding the right match for their international concept has left Pollo Campero well poised for aggressive growth in the US.



challenge No. 4:

DEFINING FRANCHISE TERRITORIES

Every business faces the fundamental question of “How big can I grow.” But this question is especially complex for QSR franchisors who must take into consideration the concerns of their franchisees. How can you stake out franchise territories that maximize sales, while avoiding cannibalization?

the big answer:

UNDERSTANDING CUSTOMER POTENTIAL TO SELL MORE FRANCHISES

When it comes to providing site and market insights to the restaurant industry, **CUSTOMER ANALYTICS MAKES IT POSSIBLE** to conduct in-depth real estate analysis.



Determine the **REAL POTENTIAL** of your brand by identifying how many locations can be supported by a city, region, or the US market as a whole.



Make a **STRONGER APPEAL** to new franchisees by showing the robust demographic, lifestyle and market data that is used to decide where and how to expand.



BUILD STRONGER company/franchise relations by ensuring that your company stores do not cannibalize franchisee sales.



Take a **MORE ORGANIZED** approach to growth by pinpointing the cities, regions or trade areas that represent the best potential for future expansion.

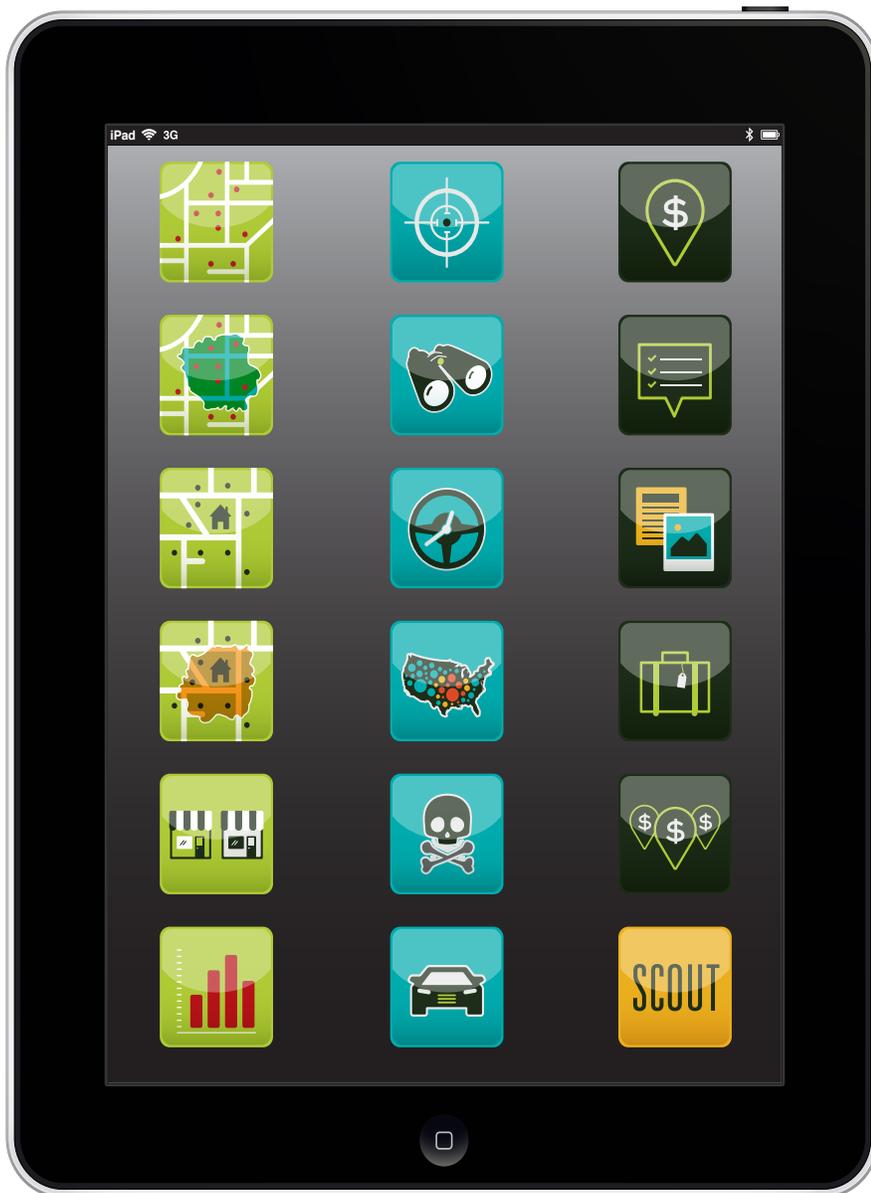
A Smooth Solution to a Complex Problem.

SINCE 2011, SMOOTHIE KING
HAS OPENED 148
NEW LOCATIONS.

Buxton's SCOUT mobile solution allows them to evaluate sites based on lifestyle segments, and select the sites that are rich in their target audience.



NOT JUST ANSWERS,
BIG ANSWERS.



BUXTON IS A BIG ANSWERS COMPANY

We show you exactly who your best customers are, where you can find more of them, and what the value of those customers is to your business.

Buxton puts big answers right at your fingertips. With SCOUT Touch, you can get the answers you need any time, anywhere. See exactly what Buxton analytics can do for you, [click here](#) to request a demonstration today.

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817.332.3681 | BUXTON@BUXTONCO.COM | BUXTONCO.COM