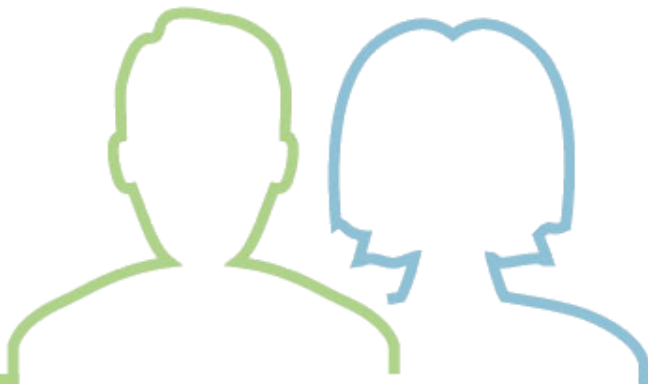


# QUICK SERVE RESTAURANTS & FRESHNESS PERCEPTIONS

July 2016



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According to the American Customer Satisfaction Index, “Americans are now spending more money dining out than shopping for groceries. Fast food restaurants appear to be capitalizing on this trend more than full-service restaurants, maintaining the lower prices and speedy service that has long defined the industry, while also appealing to health-conscious consumers via more diverse offerings and higher-quality ingredients.” Furthermore, some restaurants are going “natural” in order to appeal to Millennials. Males aged 18-34 go to Quick Service Restaurants (QSR) more often than any other group and typically spend more per trip, but today these consumers are more concerned with the nutritional benefits than simply the amount of food for the price.

This research focused on understanding how consumers think about QSRs and specifically freshness perceptions. The findings will be used to further solidify our understanding of the QSR category.

## KEY QUESTION

How can QSRs effectively communicate “freshness” to Millennials and Gen Z?

## RESEARCH OBJECTIVES

- Unaided exploration of current QSR marketplace behaviors and impressions
- Explore consumers' understanding of freshness
- Uncover the primary drivers for purchase
  - How they see QSR incorporated into their food routine
  - What the current pain points are in their eating habits
  - What differentiates QSRs from one another
- Discover consumer vision for QSRs
  - What innovations they are interested in
  - What builds loyalty for a QSR
  - How they want to interact with their favorite QSR brands

Research Method	# of Groups	Total Respondents	Days in Field	Recruit to Report (in days)
Instant Research Group	2	43	2	7

This study was conducted via an online Instant Research Group where respondents answered open-ended questions and follow-ups posted by a trained moderator. This technology fosters a dynamic qualitative discussion where respondents are easily able to interact with others in the group.

## AUDIENCE

	Adults	Teens
Gender	60% Male, 40% Female	
Frequency of eating out of the house	Once a month or more frequently	
Non-rejecters of QSR	“At least occasionally” eat at quick serve restaurants (Chipotle, Burger King, Taco Bell, etc.)	
Number of respondents	20	23
Age	21-34	13-17
HHI	Capture	N/A
Marital Status	Capture	N/A
Education	Capture	N/A

## Convenience, taste, and price drive most QSR choices in both groups

- Convenience is what most respondents look for in a QSR
- Location, taste cravings, and affordability are behind most decisions about QSRs
- Health considerations and freshness are rarely directly factored in

## Perception of freshness in QSRs is driven by in-view prep and ingredient quality

- Preparing food in view of customers strongly drives the impression of freshness in a QSR
- Quality of ingredients, especially produce, also communicates freshness
- Groups were consistent in their views of the most fresh (Subway) and least fresh QSRs

## Appearance of freshness centers on produce, but time since cooking also plays in

- Most images selected by both groups centered on farm fresh produce
  - Adults focused more on cleanliness and lack of preservation/freezing
  - Teens focused more on temperature of food items and time since they were cooked/prepared
- Freshness was associated with health benefits and food safety in both groups

## Respondents are interested in QSR loyalty programs, especially with cash savings

- Most who like loyalty or rewards programs focus on the financial savings they offer
- Some want less interactive ways to get those savings, like emailed coupons
- Others want apps with mobile ordering, or the ability to give more direct feedback to QSR brands

Freshness is important to almost all of the respondents, but they have differing perceptions of what it means. Emphasizing both the “farm fresh” and “fresh cooked” aspects will drive the most interest from the most customers.

Financial savings via loyalty and rewards programs appeal to both adults and teens. Focusing on coupons, deals, and accumulating rewards will keep customers coming back and build appreciation for cost-consciousness on the part of brands.

Some in each group are also interested in more advanced app offerings from brands, specifically with mobile ordering and increased communication with brands. Offering these capabilities will allow customers to tailor their experience and also build brand investment.

Customers associate bright pictures of just-picked produce with the idea of freshness. Continuing to focus advertisements and in-restaurant signage on these sorts of images will keep freshness top-of-mind and help align the impression of freshness with a brand’s QSRs.

## DETAILED FINDINGS





- Both groups visited QSRs when they didn't want to put a lot of time into a meal, either into shopping, preparing, and cleaning up after cooking it themselves, or in settling in to a casual dining or other type of restaurant for a more drawn-out experience
- Most often, QSRs were a go-to for lunch, either in the middle of a day of work or class, or a lunch with friends on a weekend or day off
- Sometimes, people appreciated the simple and straightforward offerings of a QSR after a busy day, either alone or with friends and/or family
  - Those with kids also said they sometimes went to QSRs for dinner to avoid arguing about who wanted what for dinner
- A few were in the habit of picking up quick breakfasts at QSRs before getting started on their day



*I eat at fast food places at least once a week. This is mostly on the weekends; I like to hang out with friends and do all sorts of stuff with them! We usually eat somewhere out during these activities.*

*-Male, 16, Woodruff, SC*



*I usually eat at the quick serve restaurants when cooking becomes too much of a hassle. Maybe it's late and cooking takes too long. Or it might even be that we are already in town doing errands. We eat at a large range of restaurants... We eat out maybe 3 times a week.*

*-Female, 25, Pell City, AL*



*I'll usually go after work around noon time or as late as 3pm. I usually never go to a quick serve restaurant for dinner, it's almost always for lunch. And I'll go whenever my friends want to go, as I also never eat there alone.*

*-Male, 16, Dracut, MA*

- In initial discussions of how they selected a QSR to visit, both groups gave a similar rundown of priorities:
  1. Location/convenience factor – close to home or work/school
  2. Taste – a particular craving, as well as favorite or unique menu items
  3. Price – including any coupons, deals, or rewards programs available
  4. Health – such considerations were mentioned by only a few in each group
- Both groups chose McDonald's as a top pick, along with Wendy's (for adults) and Chick-fil-A (for teens)
  - McDonald's was appealing because of the convenience of multiple locations and varied menu items
  - Wendy's and Chick-fil-A both had more mentions of specific favorite menu items
  - While they didn't mention it in initial consideration, some in each group brought up atmosphere when discussing their favorite QSR, in addition to the above criteria
  - Very few mentioned freshness as one of their choosing criteria, but a few more did bring it up as something they liked about their top QSR



*Chick-fil-A has a friendly, welcoming atmosphere. The employees are super nice, they're well-qualified, and the restaurant is always clean. The prices are generally more expensive than other fast food places, but the quality of the food makes up for that.*  
-Female, 16, Marietta, GA



*Quick serve for me means quick order. We usually know what we want and go in wanting to order quickly and get it done. Sometimes, the drive through is the best option for us depending on what is going on in the day. At quick serve places, I get frustrated quickly if the lines are long and slow...*  
-Male, 15, Green Cove Springs, FL



*The fries: I don't know what they put in the potatoes but I just love them. I choose [McDonald's] over the others because it has something that each one of us enjoys. There's variety of foods and they all have a great taste. The kids get to play so they have so much fun.*  
-Female, 32, Indio, CA

Both groups thought about freshness mainly in terms of fruits and vegetables, describing them as **just picked, crisp, and natural**

## Adults

Focused more on clean and not frozen or preserved than teens did



*Freshness is when fresh ingredients are used to make the food. No expired products used and everything is fresh and clean... Clean and just picked or prepared ingredients.*  
-Male, 24, Jonesboro, GA



*I associate fresh ingredients with food not previously made. Like a burger made with that bright red beef instead of a grey frozen patty. They slice the tomatoes, lettuce, and pickles themselves, and then assemble the burger.*  
-Male, 25, Lawrenceville, GA

## Teens

Focused more on cooked to order and temperature than adults did

*Freshly prepared food cooked to order. Fresh veggies such as fresh crisp lettuce, tomatoes, etc.*  
-Male, 17, Opp, AL



*When I think about freshness, I like to think naturally grown-but not absolutely excluding bio-engineering and other things like that. Say, **farm grown**. Grown on some type of farm and then preserved well.*  
-Male, 15, Crossville, TN



# For both groups, freshness was seen as having multiple components and benefits

- For most, freshness brought to mind unprocessed, raw ingredients, primarily produce
  - These focused more on texture words like “crisp,” ingredients that hadn’t been frozen or preserved, and on the presumed health benefits of eating more fruits and vegetables
- For some, freshness referred more to the length of time since food was cooked
  - These focused more on food being cooked to order and/or prepared in front of them, on food being appropriately hot or cold when served, and on food safety as a benefit of freshness
- All adult respondents and most teens rated freshness of food at QSRs as important
  - In both groups, most felt freshness translated to better taste, and often better nutrition
  - A few teens said taste trumped all, and they didn’t see freshness as directly related to taste, making freshness not as important to them



*It can make the difference between a good, healthy meal, and a meal that is neither good for you nor tastes good!*

*I'm a fan of fresh food. Not only does it taste better to me, but it's healthier.*

*-Male, 16, Woodruff, SC*



*I expect all fast food restaurants to now have fresh food. The era of preheated hamburgers sitting on a warming shelf (growing bacteria) is just over. There's a lot of media attention as well as the FDA bringing attention to diet, to healthy temperatures for cold or hot food. Any fast food restaurant not upgrading and concerned with healthier fresh food will begin losing business as America's eating habits are changing, the demand for healthier food is there and the consciousness of the obesity epidemic, the sodium levels that impact health, are being considered.*

*-Female, 27, Venice, CA*

# Most-fresh and least-fresh QSR opinions were fairly consistent between groups

- Subway topped both groups' lists for freshest QSR, thanks to its focus on **vegetables** and on preparing food to order **in view of customers**
  - Chipotle was seen as fresh by some, but a few expressed food safety concerns with serving times and temperatures that undermined the implied freshness of preparing food to order in view
- The QSRs that topped both groups' lists for NOT having fresh food products were due to a more **mass-produced** image plus a general view of **unhealthiness** in offerings
  - Some in the adult group had an expectation that larger QSR brands like McDonald's would have fresh food both for health purposes and food safety, even if they didn't have personal experience pointing out an impression of freshness there



*Subway [is fresh] because their restaurant is based off of salads and veggie toppings. They don't serve food that can be refrigerated or placed on a shelf until the expiration date ... Salad goes bad fast when exposed to air, I notice it turns brown and who wants to eat old salad, yuck.*  
-Male, 26, Las Vegas, NV



*Chick-fil-A, Burger King, and Subway [are fresh]. Chick-fil-A because their food is very high quality and tastes really healthy. Burger King because they also serve high quality food. Subway because they also have high quality food and that is what they are always preaching and is their motto.*  
-Male, 15, San Antonio, TX



*[Some QSRs] make food in a mass made sort of way—each burger is made of several cows—not just one. The meat is ground together and then split off into patties that are shipped around the country. That doesn't seem very fresh, in my opinion.*  
-Male, 15, Crossville, TN

# In-view prep, restaurant cleanliness, and quality of taste gave the impression of freshness



*A great way to know that a restaurant provides freshness is that it has an open kitchen concept and I can see the food being prepared.*

*In-N-Out and Chipotle are two such establishments, I can see the ingredients being prepared and not just coming from a bag. It provides a transparency that earns my trust.*

*-Male, 29, Carson, CA*



*I know the food is fresh when I can relate what the food looks like to foods found in nature. Food is also fresh when it isn't old or stale. Finally, I can see when food is fresh when it still tastes good the next day when you have leftovers. When food isn't fresh, it may taste good at the restaurant, but leftovers are disgusting.*

*-Male, 15, Champaign, IL*



*Good maintenance, and care for the [restaurant] environment. When the employees spend time taking care of the facility and respect it, they do the same with the food.*

*-Male, 16, Woodruff, SC*



*In-N-Out because as soon as I bite into the burger you can taste everything that is inside and that is what fresh means to me. It is the overall quality of the food and as long as the quality is on point then I would say that it was fresh because I could feel the heat from the burger and the coldness from the tomatoes.*

*-Female, 15, Santa Clara, CA*



*I know the restaurant is using fresh ingredients when I watch them prepare it. Or when it takes more than 5 minutes to prepare. I don't believe burger joints provide fresh foods as it takes a while to season and pat out a patty to be fried/grilled. But sandwich places, like Subway, Jimmy John's and the like use fresh ingredients because you see them make them, and before you order that particular sandwich, in retrospect, it exist yet, so it isn't pre-made.*

*-Female, 34, Louisville, KY*

- Most suggestions for improving QSRs focused on affordability, including menu price changes, adding deals and coupons, and the potential for loyalty or rewards programs
- Other ideas involved new and expanded menu items, including healthier options, all-day breakfast, and more choice for kids' items
- When asked about how a QSR could best highlight new fresh options, suggestions focused on bright images of clean produce, both in advertising and in restaurants
  - “Fresh options” was interpreted by most to mean additional fruit and vegetable options, either as new menu items or adding optional ingredients to existing items
  - While fresh options, current or future, did appeal to most, they didn't report strong purchase intent impact

“

*I would offer more family value meals. Most restaurants have value menus now but that doesn't mean that the food is always the best. Coupon offers are also nice. Rewards programs would be great for fast food restaurants also. Not everyone can afford to go out to eat at fancy places.*

*-Male, 17, Opp, AL*

“

*A quick way to [highlight freshness] would be to have healthier options like fruits and vegetables added to certain dishes. An easy one would be a salad. Or making avocado or something like that to be added to certain meals like Subway did. Make sure that the details of the salads are clearly visible in the advertisement and that every bit of it looks like something someone would want to eat until the last bite.*

*-Female, 28, Columbia, SC*

“

*Some improvements would be to support the prepared menu items with flexibility and choice, and to add to something with convenience and access to order online via either phone or computer.*

*-Male, 28, Garland, TX*

# Increased interaction with QSR brands appealed to most, mainly for financial savings

- Some in each group already used and appreciated loyalty or discount programs at QSRs like Panera Bread (loyalty card and app), Chick-fil-A (student discount), and Chipotle (“Chiptopia” example given in the study)
- Most felt a loyalty program from their favorite QSR would be appealing, mainly for financial savings
  - Some said it wouldn’t change their behaviors, but would still offer them some benefit
  - A few (slightly more in the teen group) said they’d rather QSRs didn’t offer loyalty programs, saying they’re hard to keep track of for little benefit
- Some in each group said they liked the idea of an app for their favorite QSR, either for loyalty-based rewards or general deals and coupons, or for mobile ordering for pickup
- Some in each group said they’d like to see emailed coupons from a QSR instead of anything more directly interactive
- A few (slightly more in the adult group) wanted to interact with QSR brands through suggestions, surveys, and other feedback options direct to the brand



*Chick-fil-A recently came out with an app called Chick-fil-A One. This is similar to Starbucks' mobile order. I haven't tried out this app yet, but I'd like to try it out soon to see if it improves my experience. I would also love if they had a frequent buyer's card-type thing, since I eat there so often.*  
-Female, 16, Marietta, GA



*They already have a rewards program but I think they should offer surveys and feedback to review and give input on new food products.*  
-Female, 21, Chagrin Falls, OH



*I may be the exception but I am tired of the loyalty programs: it would be so refreshing to simply honor all guests with the best offers. I don't particularly want to interact with restaurants: However I would accept emails of special events or sales.*  
-Female, 27, Venice, CA



## APPENDIX



# Appendix A: Respondent Profile

Age (Adults)	
21-24	5
25-29	11
30-34	4

Age (Teens)	
13	1
14	3
15	11
16	3
17	5

Gender (Adults)	
Male	12
Female	8

Gender (Teens)	
Male	13
Female	10

# Appendix A: Respondent Profile, Cont. GutCheck

Type of restaurant visited			
Group:	Adults	Teens	TOTAL
Quick serve restaurants (Chipotle, Burger King, Taco Bell, etc.)	20	23	43
Sandwich shops (Subway, Quiznos Subs, Snarfs, etc.)	20	21	41
Pizza restaurant (Pizza Hut, Domino's Pizza, etc.)	20	19	39
Casual dining (Applebee's, Red Robin, etc.)	19	17	36
Café/Coffee house (Starbucks, Ink!, Tim Hortons, etc.)	17	12	28
Family Style (Maggiano's, Buca di Beppo, etc.)	16	7	23
Tabletop cooking (Benihana's, Mongolian Barbecue, etc.)	10	5	15
I do not eat at any of these	-	-	-

Frequency of eating out			
Group:	Adults	Teens	TOTAL
Every day	2	0	2
Multiple times per week	15	3	18
Once a week	0	7	7
A few times per month	3	10	13
Once a month	0	3	3
Once every few months	-	-	-
Once every 6 months	-	-	-
Once a year or less	-	-	-

# Appendix A: Respondent Profile, Cont. GutCheck

Household Income (Adults)	
\$20,000 to \$29,999	1
\$30,000 to \$39,999	2
\$40,000 to \$49,999	0
\$50,000 to \$59,999	5
\$60,000 to \$69,999	2
\$70,000 to \$79,999	3
\$80,000 to \$89,999	2
\$90,000 to \$99,999	2
\$100,000 to \$109,999	1
\$110,000 to \$119,999	0
\$120,000 to \$129,999	1
\$130,000 to \$139,999	0
\$140,000 to \$149,999	1
\$150,000+	0

Marital Status (Adults)	
Never married	12
Married	5
Divorced	3

Education (Adults)	
High school graduate	3
Some college	6
Associate degree	2
Bachelor degree	8
Advanced degree	1

# Appendix B: Uploaded Images



Female, 28, Columbia, SC



Female, 25, Pell City, AL



Female, 31, Midlothian, VA



Male, 28, Garland, TX



Male, 28, Garland, TX



Male, 28, Garland, TX



# Appendix B: Uploaded Images, Cont.



Male, 25, Palmdale, CA



Female, 21, Chagrin Falls, OH



Male, 24, Jonesboro, GA



Female, 23, Jacksonville, FL



Female, 27, Venice, CA



Female, 34, Louisville, KY

# Appendix B: Uploaded Images, Cont.



Female, 32, Indio, CA



Male, 28, West Covina, CA



Male, 25, Lawrenceville, GA



Male, 26, Las Vegas, NV



Male, 26, Westwood, MI



Male, 28, Haltom City, TX

# Appendix B: Uploaded Images, Cont.



Male, 24, Lakeland, FL



Male, 23, Waukesha, WI



Male, 23, Louisville, KY



Male, 29, Carson, CA



Male, 15, San Antonio, TX



Male, 15, San Antonio, TX



# Appendix B: Uploaded Images, Cont.



Female, 14, Fair Oaks Ranch, TX



Female, 17, Chino Hills, CA



Male, 15, Plano, TX



Male, 17, Opp, AL



Female, 14, Rogers, AR



Male, 16, Woodruff, SC

# Appendix B: Uploaded Images, Cont.



Male, 15, Virginia Beach, VA



Male, 15, Riverdale, MD



Male, 14, Dallas, GA



Male, 15, Champaign, IL



Male, 15, Green Cove Springs, FL



Female, 17, Corona, CA

# Appendix B: Uploaded Images, Cont.



Female, 15, Carlisle, PA



Female, 15, Santa Clara, CA



Male, 17, Granby, CT



Male, 13, Allen, TX



Male, 16, Dracut, MA



Female, 15, Anniston, AL

# Appendix B: Uploaded Images, Cont.



Male, 15, Crossville, TN



Female, 16, Marietta, GA

## (Q15) Freshness Importance

*How important, or unimportant, is it to you that the food you are being served at quick serve restaurants is fresh?*

<i>Group:</i>	<i>Adults</i>	<i>Teens</i>
Very important	15	12
Somewhat important	5	6
Neither important nor unimportant	0	3
Somewhat unimportant	0	2
Very unimportant	0	0