

Getting to Know Your Customers

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Getting to Know Your Customers

- **Navigating the modern diner**
 - Mixed messages
- **Exploring drivers of visitation**
 - The silent majority
- **Behavioral data meets guest experience**
 - Smashburger case study



Navigating The Modern Diner

What is signal and what is noise?

Consumers Send Us Mixed Messages

34%

“Tech-enabled ordering is important when selecting a limited-service restaurant”

52%

Two-year growth of online orders at limited service restaurants

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Interest in Gluten-Free Items

Gluten-free

21%

Willing to pay more

27%

Not willing to pay more

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Contradictory Consumer?

Gluten-free

21%

Willing to pay more

27%

Not willing to pay more

51%

Not a factor in purchase

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Is Vegan On-Trend?

Gluten-free

21%

Willing to pay more

27%

Not willing to pay more

51%

Not a factor in purchase

Vegan

20%

Willing to pay more

23%

Not willing to pay more

57%

Not a factor in purchase

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Appeal of Plant-Based Items?

Gluten-free

21%

Willing to pay more

27%

Not willing to pay more

51%

Not a factor in purchase

Vegan

20%

Willing to pay more

23%

Not willing to pay more

57%

Not a factor in purchase

Plant-based

27%

Willing to pay more

31%

Not willing to pay more

42%

Not a factor in purchase

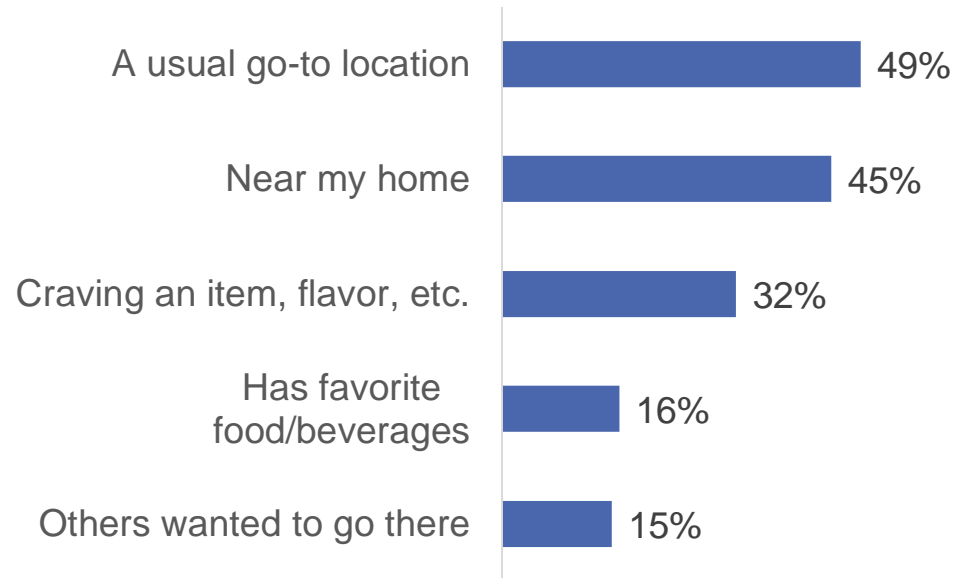
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Exploring Drivers of Visitation

The invisible guest may be the majority

What Makes You Top-of- Mind?

What made you think of this restaurant?



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I chose this
restaurant to
satisfy a
craving

35%

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44%

Intent to return
among recent
guests that came to
satisfy a craving

36%

Intent to return
among recent
guests that came for
all other need states

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We Often Hear...

“We get all our insights from our loyalty program”



We Often Hear...

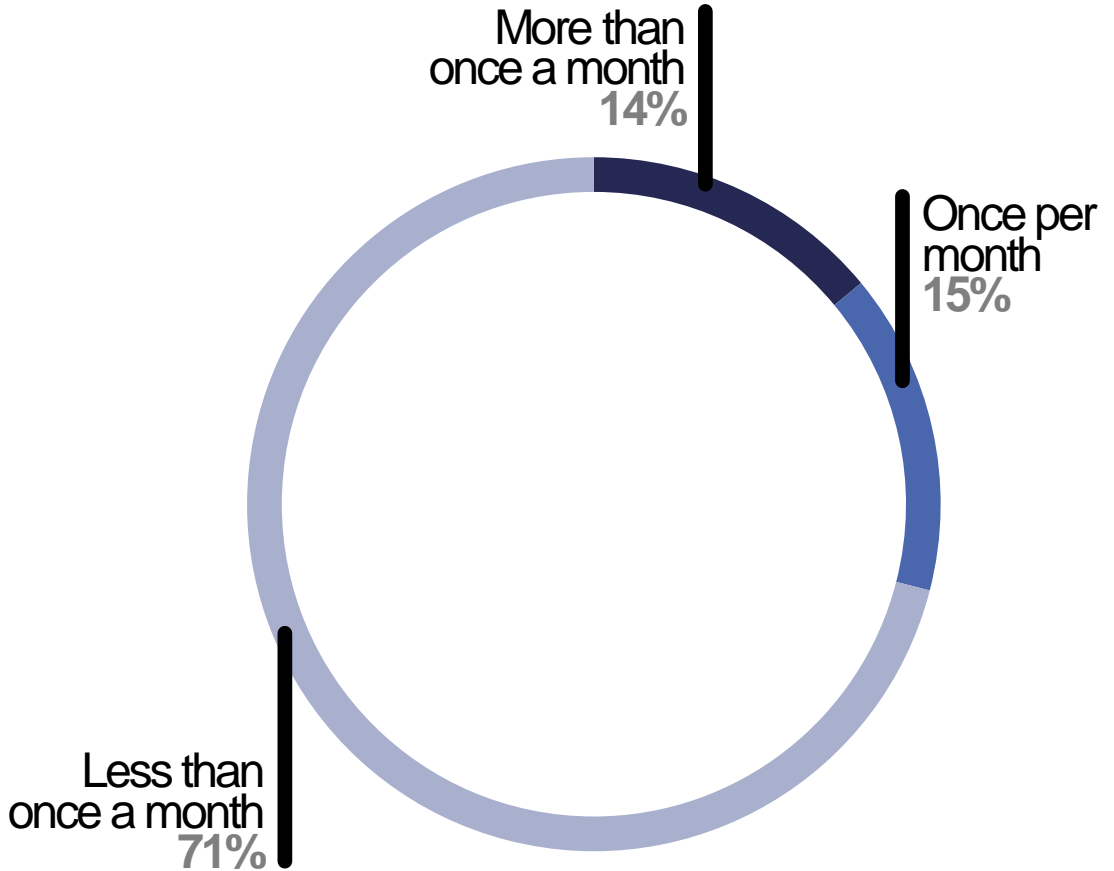
“We get all our insights from our loyalty program”

80%

Do not belong to a loyalty program

Restaurant Visit Frequency

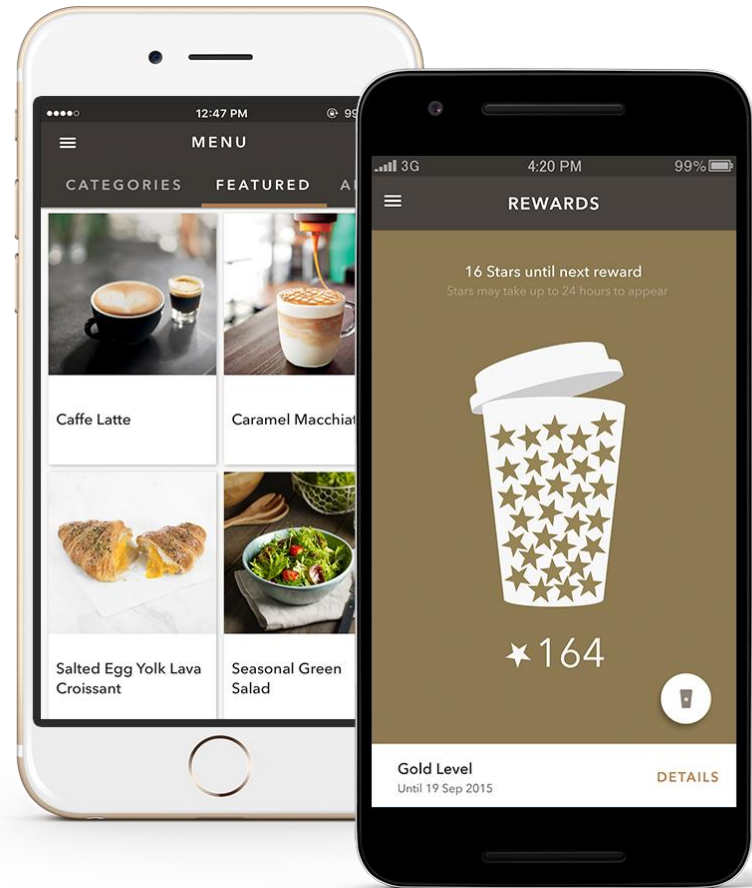
Top U.S. chains



According to Starbucks...

60 million guests visit their stores each week

16.3 million active loyalty program members

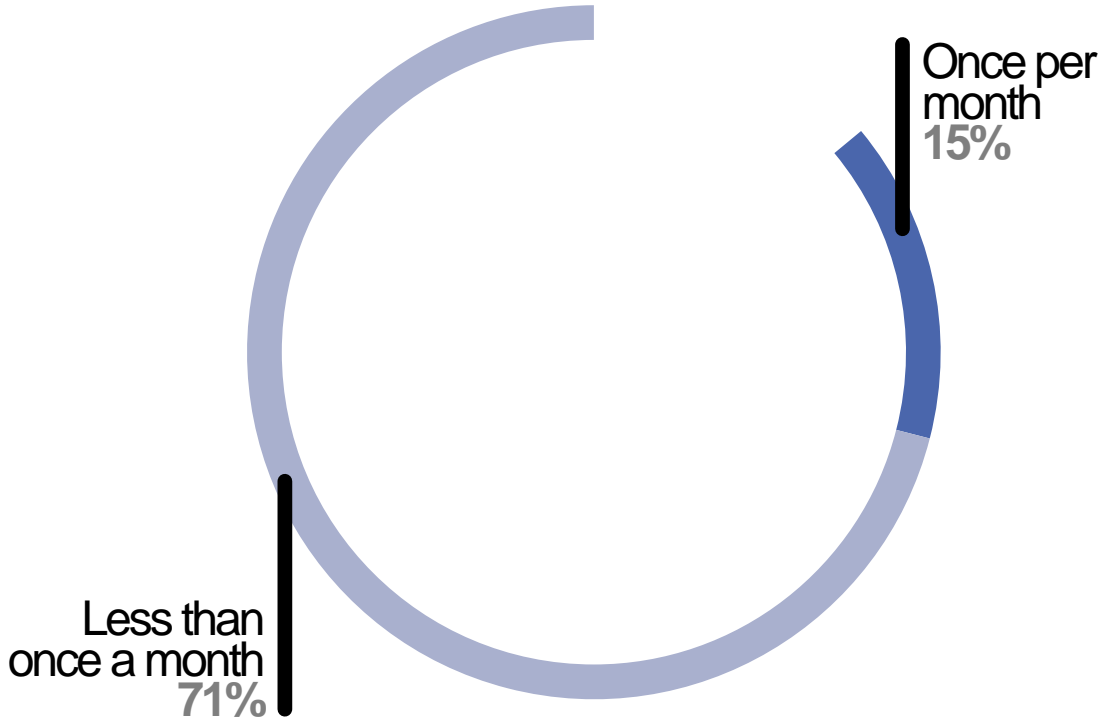


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What About the Majority of My Guests?

What can they teach me, and how can I use it?

Less frequent guests = significant opportunity



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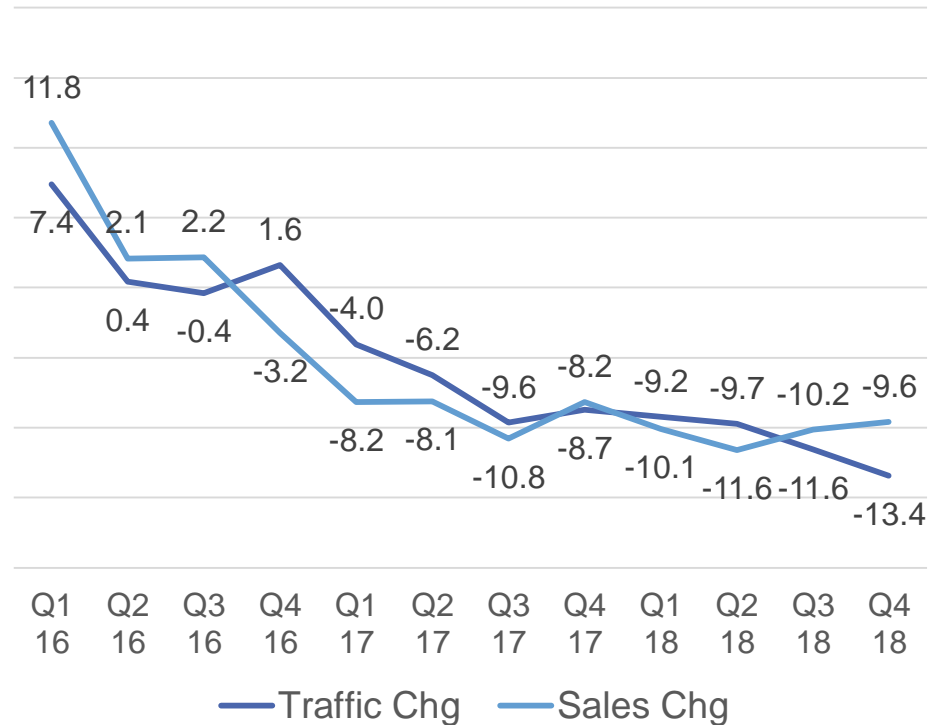
Behavioral Data Meets Guest Experience

A Smashburger Case Study

Sales and Traffic

Financial metrics reflect positive and negative changes to health of business

Smashburger Sales & Traffic
(vs same quarter prior year)

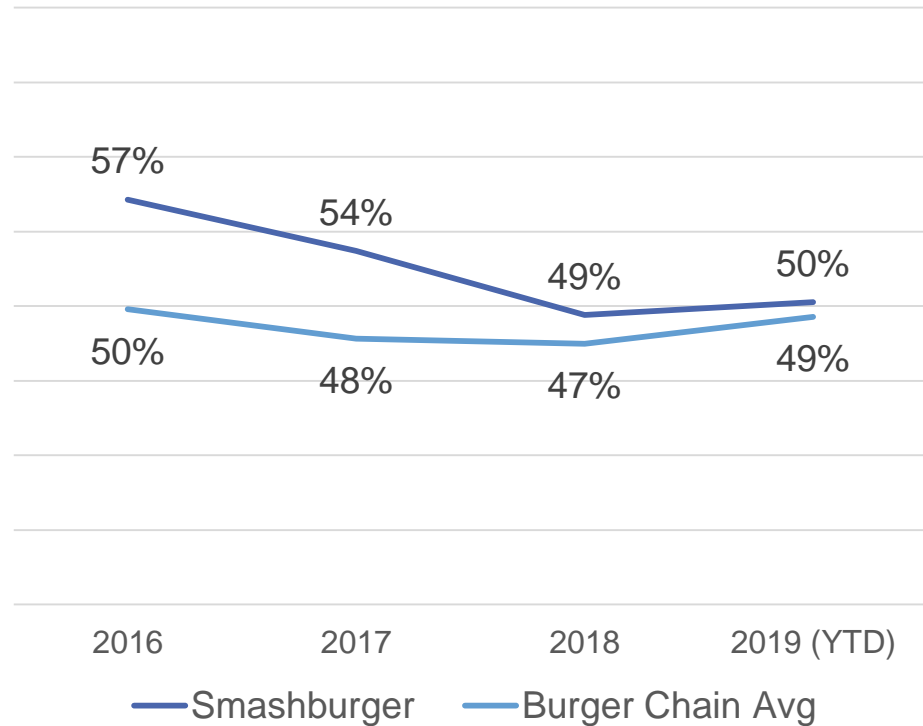


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Guest Experience Tracking

Critical measures derived by voice of customer provide the why behind the move

Excellent Overall Visit Satisfaction
(top-box rating)



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Putting It All Together

Track changes in ratings

Use change in top-box scores from same period one year ago to match sales and traffic measures

Remove the frequent visitors

Strip out affinity bias by looking only at consumers that are light users of your brand

Shift calendar to predict

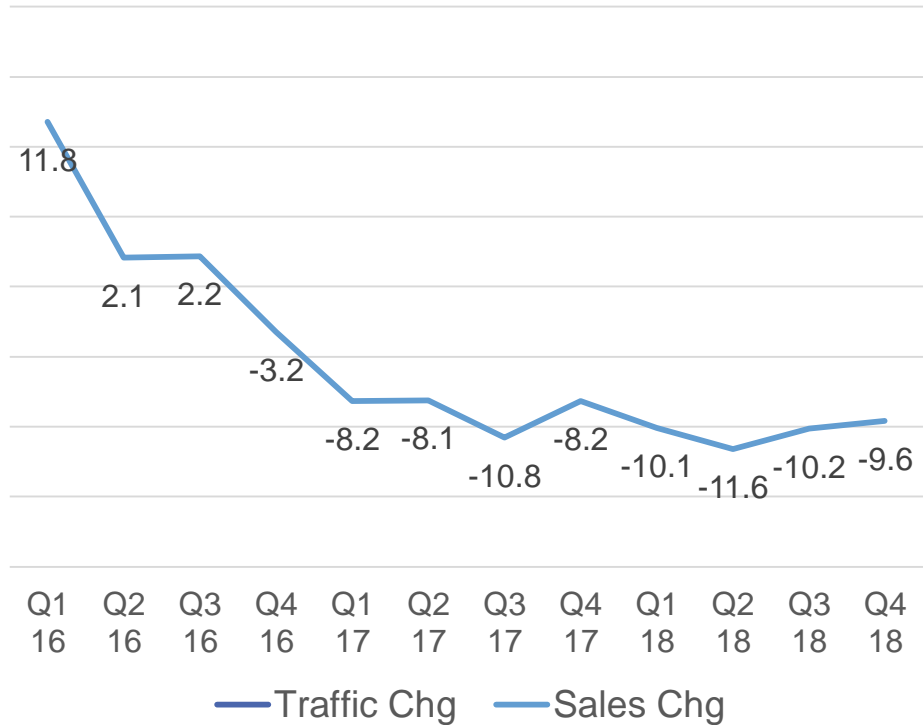
Ratings changes from Q1 2018 are compared to sales and traffic changes in Q3 2018

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Charting Sales Correlations

Pattern of continued
quarterly decline
noted

Smashburger Sales
(vs same quarter prior year)



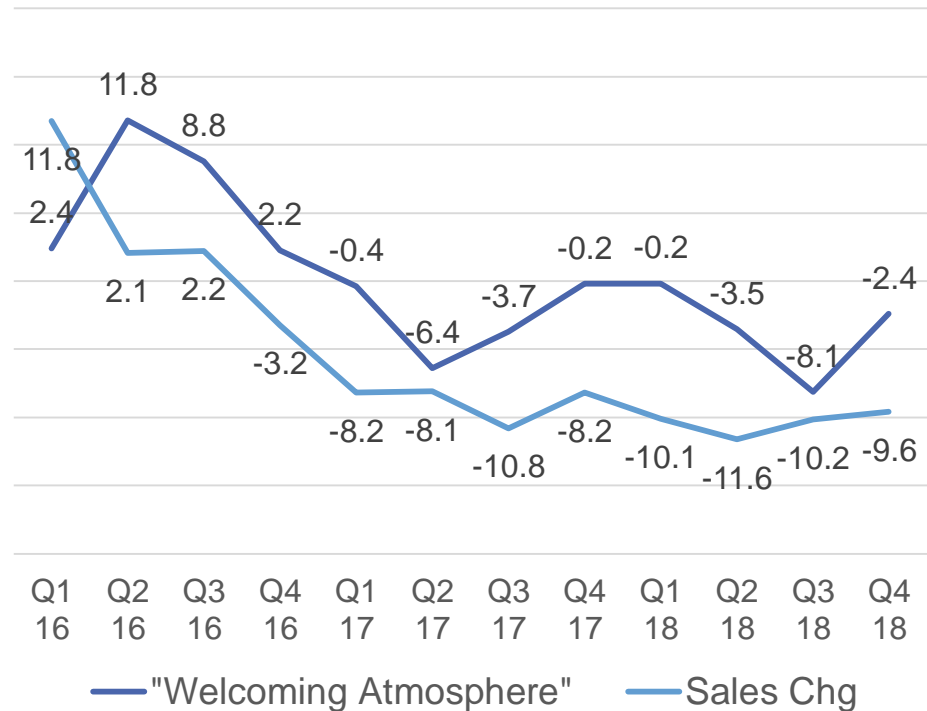
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Establishing The Data Connection

Smashburger sales
decline pattern
correlated to decline
in attribute rating

**.68 correlation
coefficient**

Sales + Attribute Change
(vs same quarter prior year)



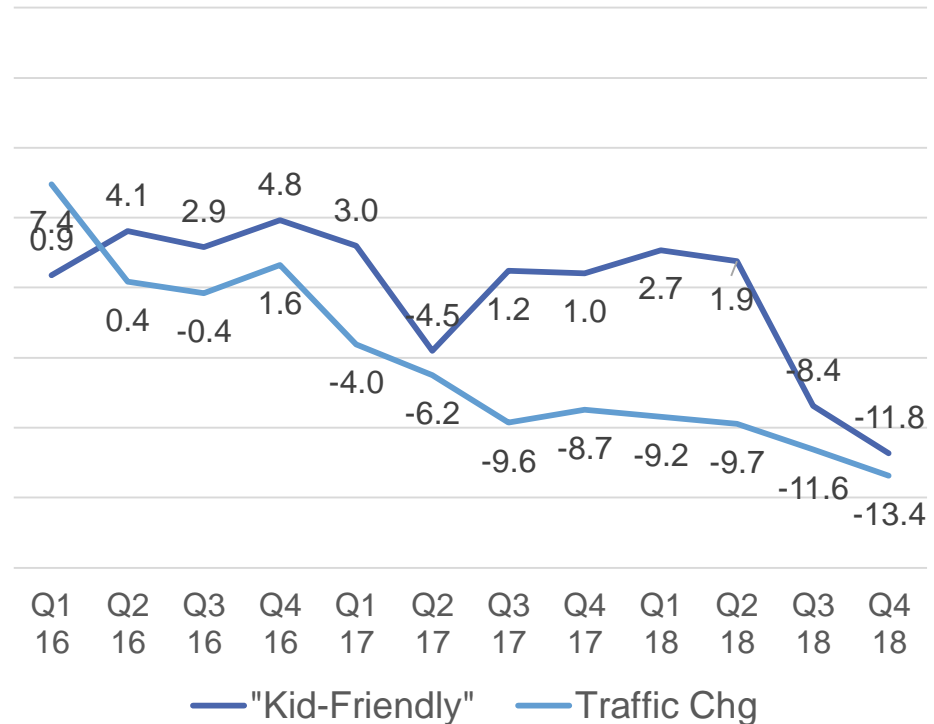
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Charting Traffic Correlations

Smashburger traffic decline pattern correlated to decline in “kid friendliness”

.59 correlation coefficient

Traffic + Attribute Change
(vs same quarter prior year)



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Highly Correlated Metrics

Based on voice of less frequent guests, *ambiance* correlates strongly to Smashburger performance

Guest Experience Measure	Smashburger Sales Correlation	Smashburger Traffic Correlation
A welcoming, comfortable atmosphere	.68	.66
Clean restaurant interior	.65	.63
Provides value through quick, high-quality service	.65	.60
Portion size for price paid	.62	.69
Decor	.62	.67

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What Might Smashburger Do?

Divide guests
into discrete
groups based on
frequency

Assess size and
financial impact
of guest
populations

Correlate guest
experience
measures
against
populations
separately

Broadly
communicate
changes/
strengths in
critical areas

Allow output to
help prioritize
initiatives

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Thank you!

**Behavioral
data provides
the what**

**Only
consumer
data can
reveal the why**

**Blended
analysis
needed to
know your
customer**

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