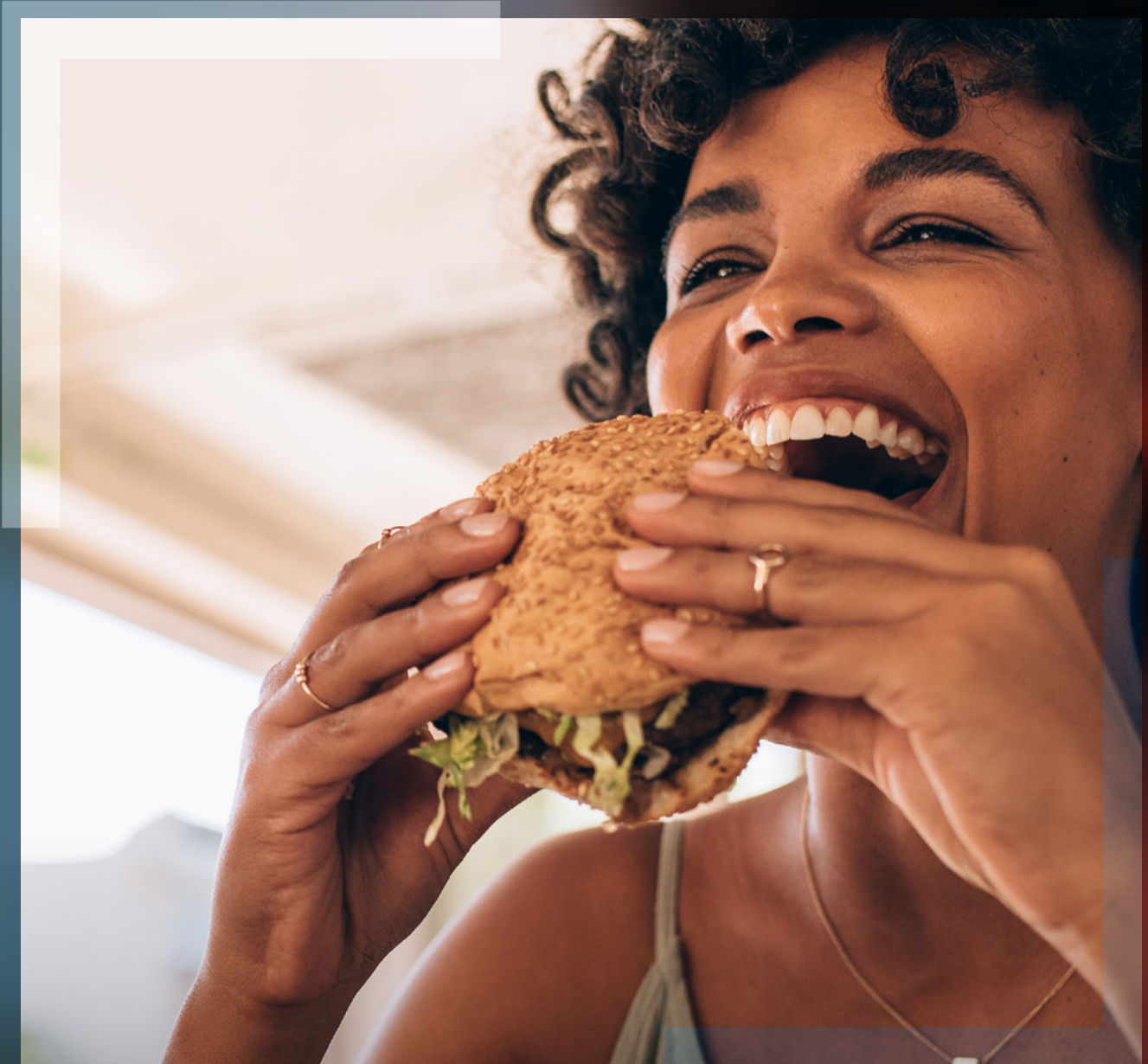


DEMYSTIFYING QUICK SERVICE RESTAURANT CUSTOMERS



How QSR Marketers Can Leverage the Power of Location Data, Transaction Data and Machine Learning

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INTRODUCTION

With the right data and technology, today's quick service restaurant (QSR) marketers can understand their customers better than ever before. Advancements in technology and data capabilities have empowered them to connect with consumers in more meaningful ways, and reach them when and where they're paying attention.

Location and transaction data, as well as employing machine learning to define purchase patterns, can enable marketers to truly understand the QSR customer's journey – and therefore help them leverage their advertising budgets to drive more diners to their restaurants.

In the pages that follow, we examined a recently run QSR campaign where we leveraged location data, transaction data and machine learning to identify five

unique segments of patrons of a national sandwich franchise, as well as the characteristics that define each one. This research goes beyond basic demographics, and provides an in-depth profile of each segment of diner, demonstrating the kinds of insights that can help QSR chains understand their customers and the differences between them. Armed with this information, QSR chains can better personalize their messaging to increase their return on ad spend.

In addition, we've analyzed which devices and ad formats drove the most engagement for each segment, further exhibiting the type of knowledge that can help QSR chains build cohesive marketing strategies and drive customers to their restaurants.



Breakfast Buyers



Lunchtime Loyalists



Primetime Patrons



Weekenders



Devoted Diners

OUR APPROACH

Viant® partnered with a leading location data company that tracks foot traffic to leading quick service restaurant (QSR) chains using mobile data. Viant used k-means clustering, a popular machine learning algorithm, to identify key QSR customer segments.

We then built a model using 4,880,438 visits by 1,889,441 individuals during a six-month period in 2018 to a mid-size national sandwich shop chain with more than 1,000 franchise restaurants. The model segments the customers based on their visit frequency, meal preferences and how geographically dispersed their visited franchises are from each other.

THE FIVE SEGMENTS ARE:

- Breakfast Buyers
- Lunchtime Loyalists
- Primetime Patrons
- Weekenders
- Devoted Diners

BREAKFAST BUYERS

Sandwich Shop Breakfast Buyers at a Glance ...

- Stop by the sandwich shop for breakfast 15% of the time
- Visit more frequently than most
- Loyal to a single sandwich shop and never visit other locations



Interestingly, desktop impressions are twice as likely to drive Breakfast Buyers' visits compared to mobile.

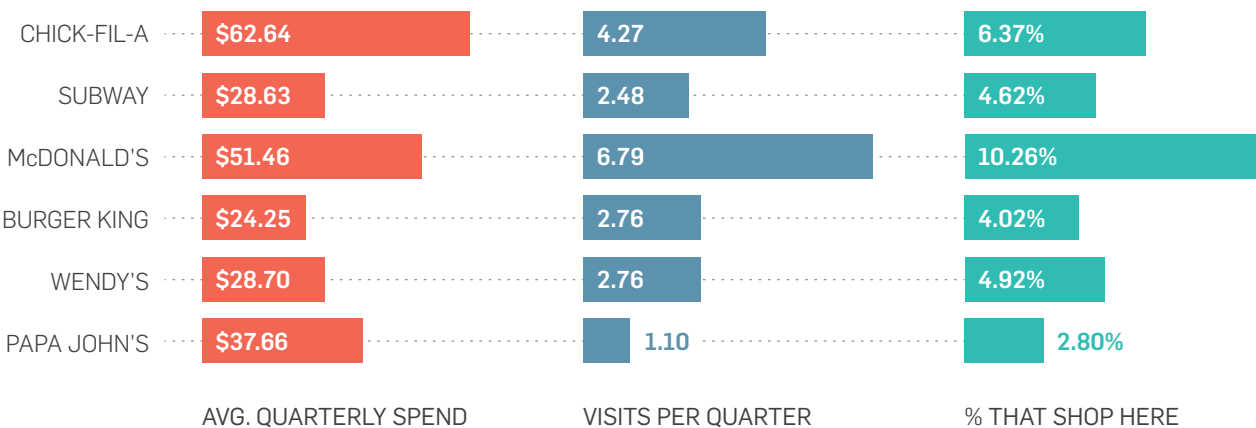
While they're more likely to stop by the sandwich shop for breakfast than any of our other groups, Breakfast Buyers are also just generally more enthusiastic for the franchise than most. They're big snackers who are 61% more likely to enjoy Little Debbie brand desserts, as well as 51% more likely to buy LAY'S® chips and 31% more likely to pick up Breyers® ice cream.

When they're on the road, a Breakfast Buyer is 32% more likely to be behind the wheel of a full-size SUV, especially a

Chevrolet Tahoe, which they're 26% more likely to drive. And there's a decent chance they're on a drive to visit Mickey Mouse and friends, as they're 40% more likely to have visited a Disney theme park over the last year.

In the charts below, you will find more analysis of breakfast sandwich shop diners, that when applied properly, can inform your marketing strategy and drive more weekday breakfast-hour visits.

SANDWICH SHOP BREAKFAST BUYERS' BEHAVIOR AT COMPETING QSR FRANCHISES



TOP COMPETING QSR FRANCHISES



46%



30%



16%

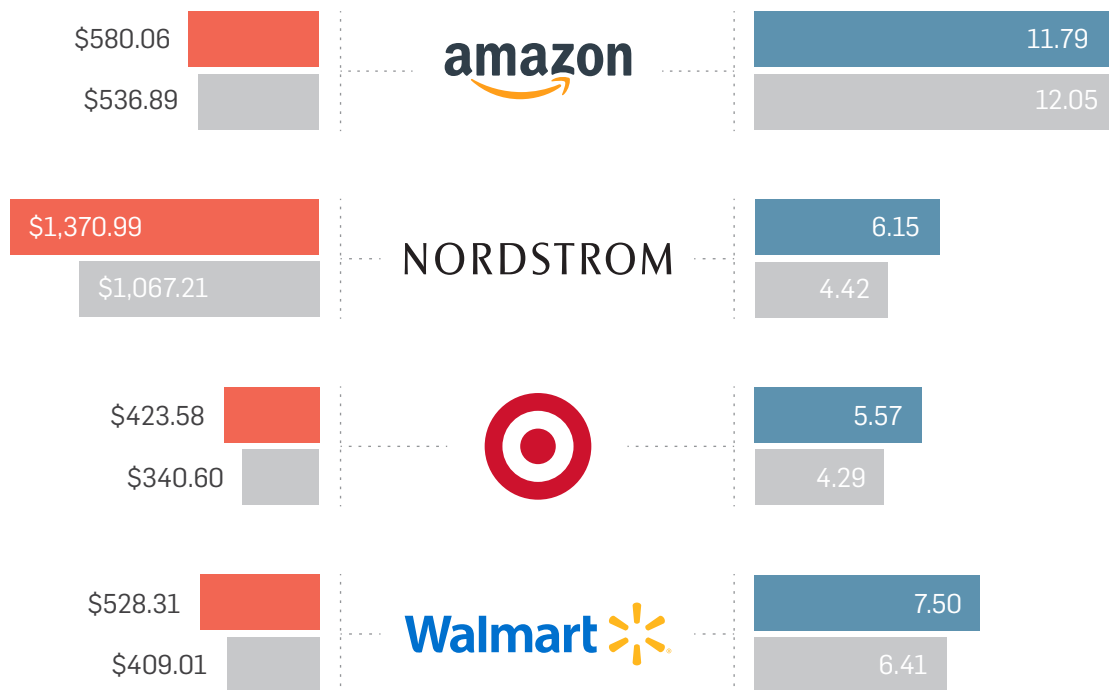
Note: The above charts reflect how much more likely Breakfast Buyers are to eat at each restaurant than the other segments

SANDWICH SHOP BREAKFAST BUYERS' BEHAVIOR AT MAJOR AMERICAN RETAILERS

VS. NATIONAL AVERAGE ■

AVERAGE QUARTERLY SPEND

NO. OF VISITS PER QUARTER



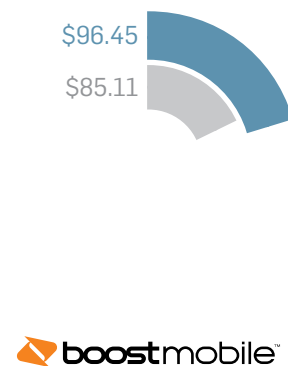
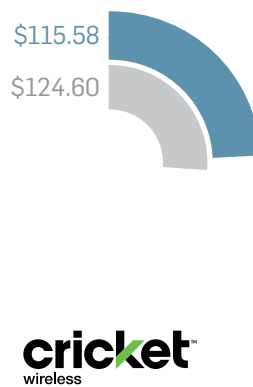
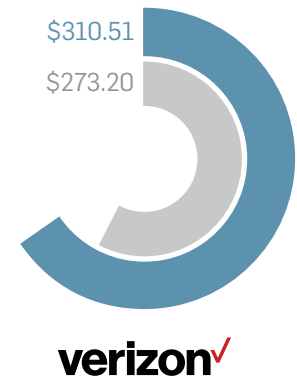
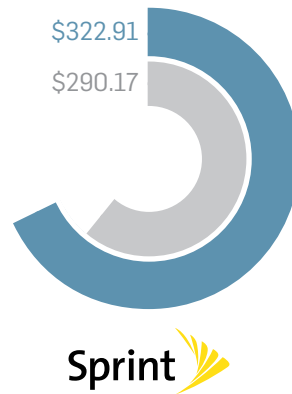
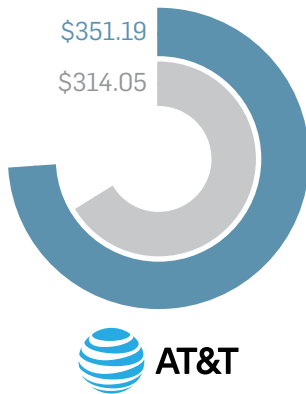
Of all of our sandwich shop segments, Breakfast Buyers spend the most at Target, where they also significantly outspend the average by 24.6%. They also visit Nordstrom more frequently – and spend more when they do – than the average consumer.

Note: "average spending" above refers to a randomly selected sample of national retail transaction data

Source: Viant Data

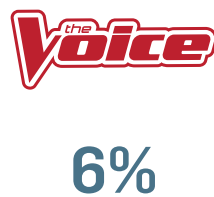
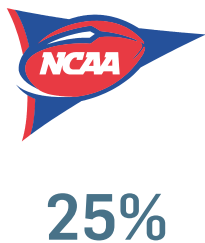
SANDWICH SHOP BREAKFAST BUYERS' AVERAGE QUARTERLY SPEND AT MOBILE RETAILERS

■ BREAKFAST BUYERS
■ NATIONAL AVERAGE



Breakfast buyers outspend average mobile phone customers with each retailer except Cricket Wireless, where they spend 6.8% less.

TOP TV PROGRAMS



Note: The above charts reflect how much more likely Breakfast Buyers are to watch each program compared to other segments

LUNCHTIME LOYALISTS

Sandwich Shop Lunchtime Loyalists at a Glance ...

- Make 90% of their sandwich shop visits during lunch hour
- Stop by sandwich shop on weekdays 98% of the time
- Partial to one sandwich shop location, likely close to work or home



Visit more often when served desktop ads.

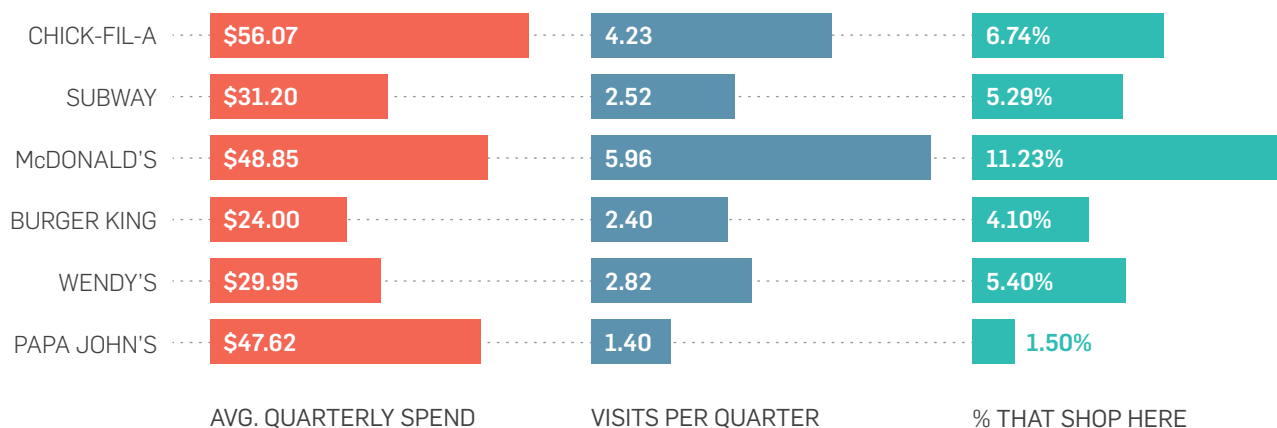
Lunchtime Loyalists differ from other patrons of the sandwich shop aside from when they visit. When it comes to auto preferences, for example, this group is 42% more likely to drive a large SUV. Specifically, Lunchtime Loyalists are 19% more likely to be behind the wheel of a Ford Explorer. When it's time to fill up the tank, they're 21% more likely to stop by a Shell Gas Station.

Between meals, a few partialities stand out, as well. Lunchtime Loyalists are 42% more likely to get their caffeine fix at Starbucks and 29% more likely to reach for a Coca-Cola.

While they love salty snacks (and are 48% more likely to purchase them), they are 24% more likely to buy Pepperidge Farm snacks.

In the charts below, you will find more analysis of Lunchtime sandwich shop diners, that when applied properly, can inform your marketing strategy and drive more weekday lunch-hour visits.

SANDWICH SHOP LUNCHTIME LOYALISTS' BEHAVIOR AT COMPETING QSR FRANCHISES



TOP COMPETING QSR FRANCHISES



28%



14%



10%

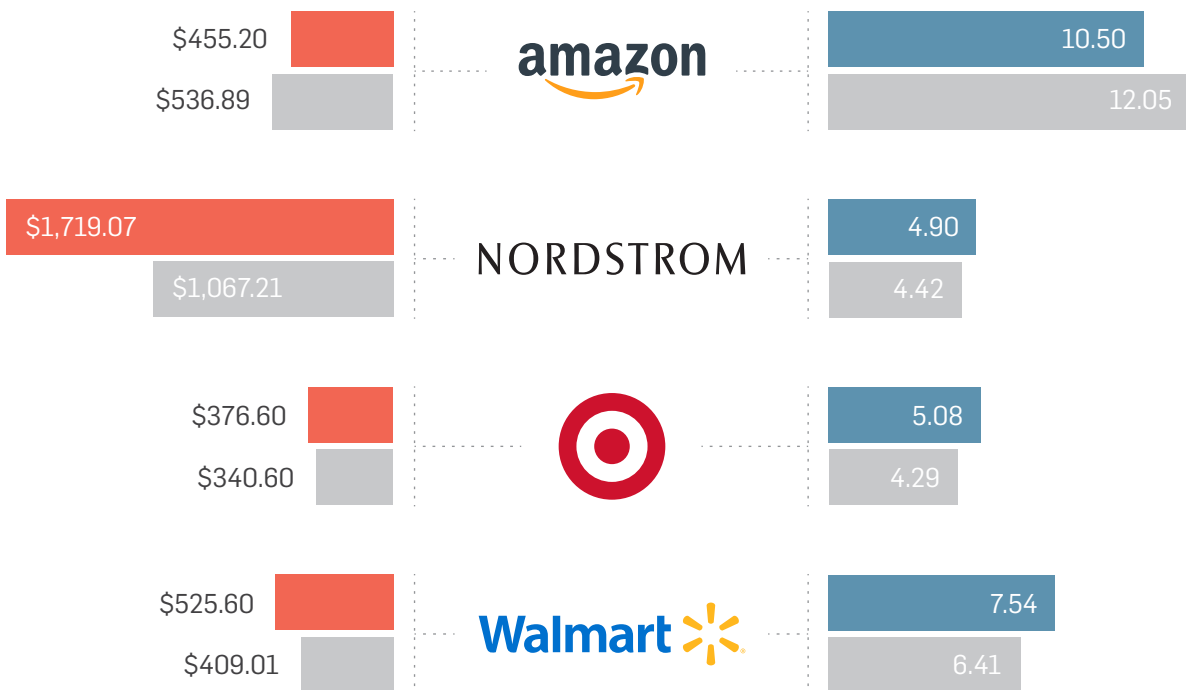
Note: The above charts reflect how much more likely Lunchtime Loyalists are to eat at each restaurant than the other segments

SANDWICH SHOP LUNCHTIME LOYALISTS' BEHAVIOR AT MAJOR AMERICAN RETAILERS

VS. NATIONAL AVERAGE

AVERAGE QUARTERLY SPEND

NO. OF VISITS PER QUARTER



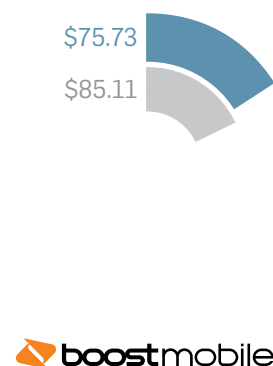
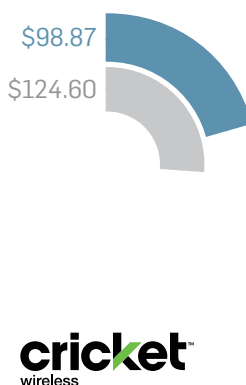
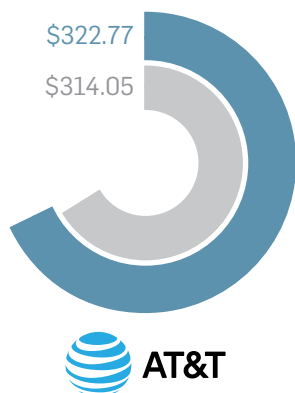
Lunchtime Loyalists spend the most at Nordstrom out of all of our sandwich shop segments, a figure that is also 61% higher than the national average, according to our data. They also shop less frequently than average at Amazon.

Note: "average spending" above refers to a randomly selected sample of national retail transaction data

Source: Viant Data

SANDWICH SHOP LUNCHTIME LOYALISTS' AVERAGE QUARTERLY SPEND AT MOBILE RETAILERS

■ LUNCHTIME LOYALISTS
■ NATIONAL AVERAGE



Lunchtime Loyalists spend the least at Cricket Wireless when compared to the other four segments of sandwich shop diners. And while their spend isn't far off from our averages, they do spend close to \$50 more per quarter at Verizon.

TOP TV PROGRAMS

FIXER★UPPER

25%

the BIG BANG THEORY

15%

FAMILY GUY

12%

***Note:** The above charts reflect how much more likely Lunchtime Loyalists are to watch each program compared to other segments*

PRIMETIME PATRONS

Sandwich Shop Primetime Patrons at a Glance ...

- Stop by the shop 95% of the time for dinner
- Are just as likely to dine at the shop on weekdays and weekends
- Loyal to a single location in a convenient neighborhood



Primetime Patrons respond positively to CTV ads when compared to other segments. They are 40% more likely to visit after seeing a CTV ad than a mobile ad.

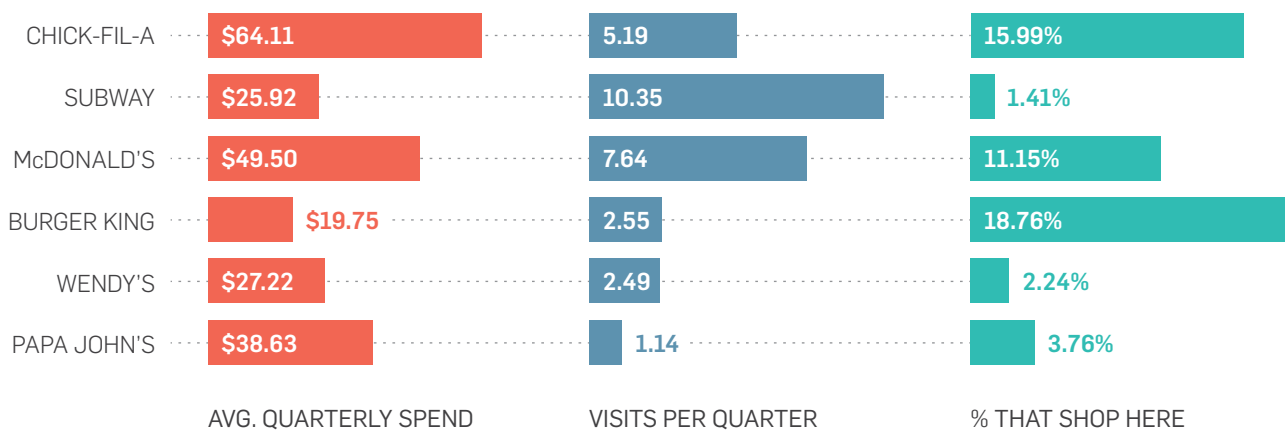
Primetime Patrons have some things in common with Lunchtime Loyalists when it comes to their choices on the road. They too are more likely to drive large vehicles – they are 27% more likely to be found behind the wheel of a Chevy Tahoe. Unlike any of the other sandwich shop segments, they're 14% more likely to drive a Jeep Wrangler. They're also 19% more likely to refuel at a Shell Gas Station, just like Lunchtime Loyalists.

They also differ from other groups when it comes to their drinking preferences. They're 13% more likely to be beer

enthusiasts, and when skipping the alcohol, are 19% more likely to buy Minute Maid brand juices.

In the charts below, you will find more analysis of Primetime sandwich shop diners, that when applied properly, can inform your marketing strategy and drive more dinner-hour visits.

SANDWICH SHOP PRIMETIME PATRONS' BEHAVIOR AT COMPETING QSR FRANCHISES



TOP COMPETING QSR FRANCHISES



35%



20%



15%

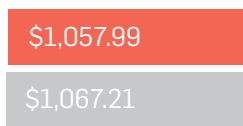
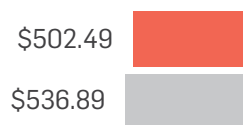
Note: The above charts reflect how much more likely Primetime Patrons are to eat at each restaurant than the other segments

SANDWICH SHOP PRIMETIME PATRONS' BEHAVIOR AT MAJOR AMERICAN RETAILERS

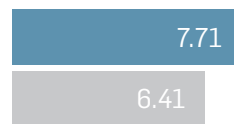
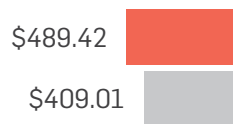
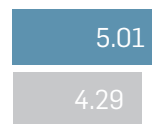
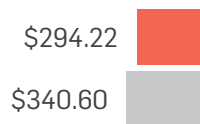
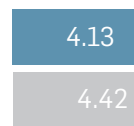
VS. NATIONAL AVERAGE

AVERAGE QUARTERLY SPEND

NO. OF VISITS PER QUARTER



NORDSTROM



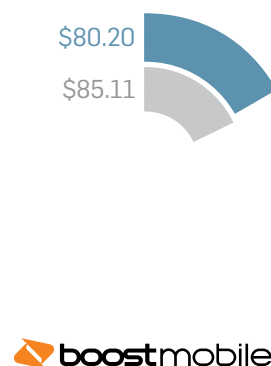
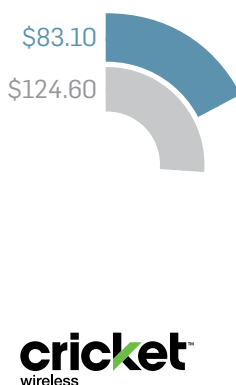
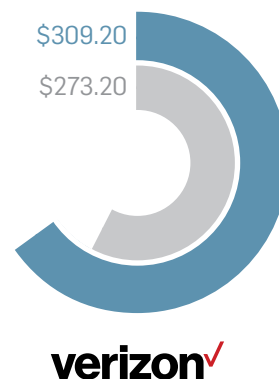
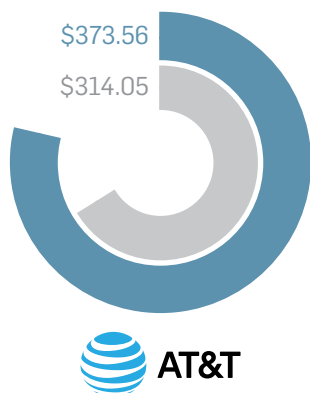
Primetime Patrons visit Amazon more than any of the other segments of sandwich shop visitors, though they spend 6.4% less than the average. In fact, they only outspend the average at Walmart by 19.7%.

Note: "average spending" above refers to a randomly selected sample of national retail transaction data

Source: Viant Data

SANDWICH SHOP PRIMETIME PATRONS' AVERAGE QUARTERLY SPEND AT MOBILE RETAILERS

■ PRIMETIME PATRONS
■ NATIONAL AVERAGE



Primetime Patrons outspend the average at four of the six wireless retailers, spending less than average only at the two low-cost mobile providers – 33.3% less at Cricket Wireless and 5.7% less at Boost Mobile.

TOP TV PROGRAMS

ESPN

31%

house hunters
INTERNATIONAL

16%

SHARK TANK

9%

Note: The above charts reflect how much more likely Primetime Patrons are to watch each program compared to other segments

WEEKENDERS

Sandwich Shop Weekenders at a Glance ...

- Dine at the sandwich shop on Saturday or Sunday 35% of the time
- Less likely than average to consider themselves healthy food eaters
- Loyal to a single location, most likely near their place of residence



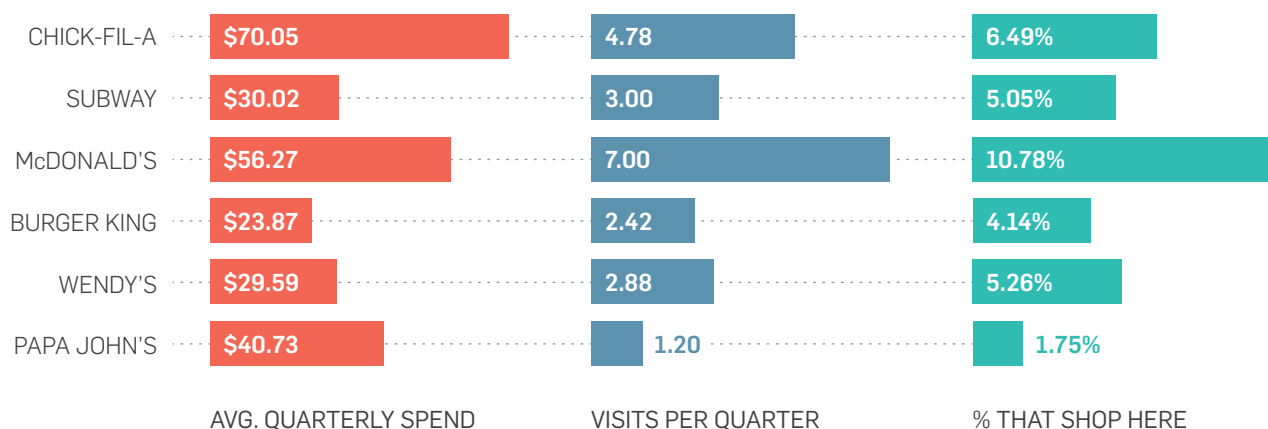
Desktop video ads resonate the most – they are 50% more likely to lead to a visit.

Salty snacks are appealing to Weekenders. Two brands stand out above the rest: RUFFLES®, which they're 18% more likely to buy, and Tostitos, which they're 6% more likely to eat. They're more likely than average to wash down their chips with Gatorade, which they're 8% more likely to purchase.

On the road, they're 31% more likely to drive a Toyota 4Runner, as well as 18% more likely to own a Dodge Ram 1500.

In the charts below, you will find more analysis of Weekend sandwich shop diners, that when applied properly, can inform your marketing strategy and drive more weekend visits.

SANDWICH SHOP WEEKENDERS' BEHAVIOR AT COMPETING QSR FRANCHISES



TOP COMPETING QSR FRANCHISES



25%



12%



11%

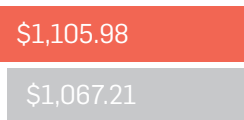
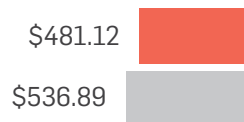
Note: The above charts reflect how much more likely Weekenders are to eat at each restaurant than the other segments

SANDWICH SHOP WEEKENDERS' BEHAVIOR AT MAJOR AMERICAN RETAILERS

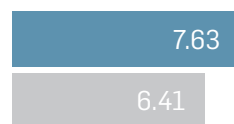
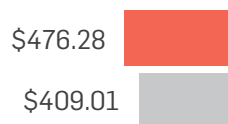
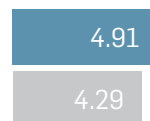
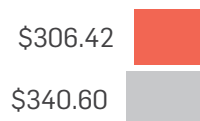
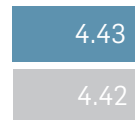
VS. NATIONAL AVERAGE

AVERAGE QUARTERLY SPEND

NO. OF VISITS PER QUARTER



NORDSTROM



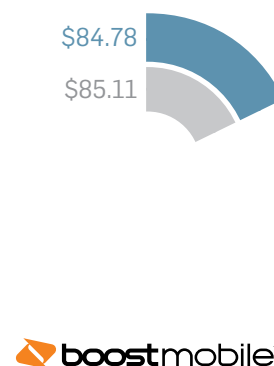
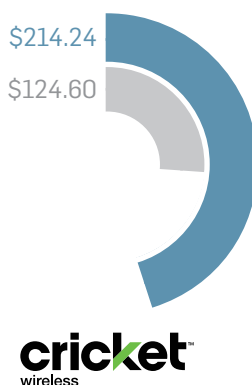
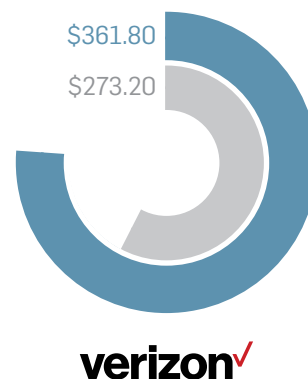
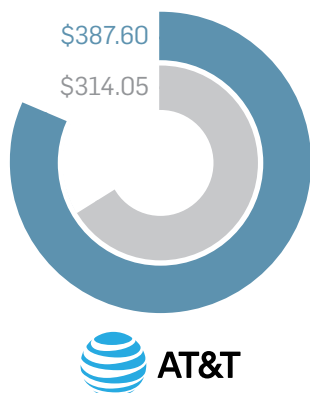
Weekenders either spend less than average or close to average at each of the retailers we looked at, with the exception of Walmart, at which they both visited 19% more than average and spent 16.4% more than average.

Note: "average spending" above refers to a randomly selected sample of national retail transaction data

Source: Viant Data

SANDWICH SHOP WEEKENDERS' AVERAGE QUARTERLY SPEND AT MOBILE RETAILERS

■ WEEKENDERS
■ NATIONAL AVERAGE



Unlike most other segments, Weekenders outspend the average at Cricket Wireless by 71.9%, and also significantly outspend at AT&T and Verizon as well.

TOP TV PROGRAMS



30%

house  hunters

20%

FAMILY GUY

15%

Note: The above charts reflect how much more likely Weekenders are to watch each program compared to other segments

DEVOTED DINERS

Sandwich Shop Devoted Diners at a Glance ...

- High-frequency sandwich shop diners who visit more than any other group
- Visit multiple locations of the franchise, likely often while traveling away from home
- Will stop by the sandwich shop regardless of day of the week or time of the day

When exposed to a desktop ad, Devoted Diners are nearly six-times more likely to visit than any other segment of diner.



When they see a mobile ad, Devoted Diners are almost three-times more likely to stop by the sandwich shop.

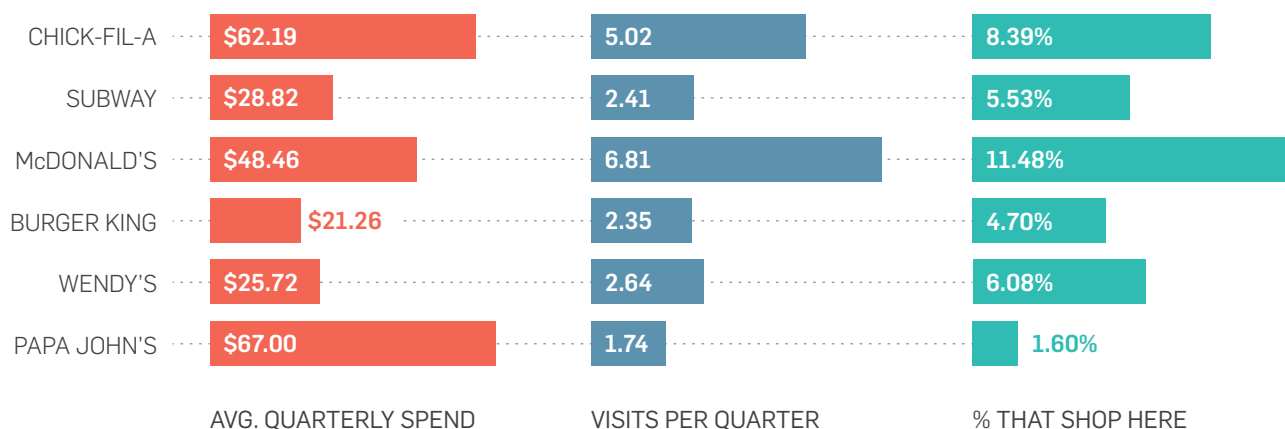
Simply put, Devoted Diners love their sandwich shop – they are its best customers. In fact, they're such fans of the franchise that they average close to three-times as many visits in a 110-day period as the next-most loyal group. As such, it isn't surprising to learn they're 51% more likely than others to be frequent fast casual patrons.

As drivers, Devoted Diners' preferences stand out from the pack as well. They're 38% more likely to be behind the wheel

of a Ford Mustang, and 11% more likely overall to purchase a new luxury vehicle.

In the charts below, you will find more analysis of devoted sandwich shop diners, that when applied properly, can inform your marketing strategy and drive more customer visits.

SANDWICH SHOP DEVOTED DINERS' BEHAVIOR AT COMPETING QSR FRANCHISES



TOP COMPETING QSR FRANCHISES



52%



18%



8%

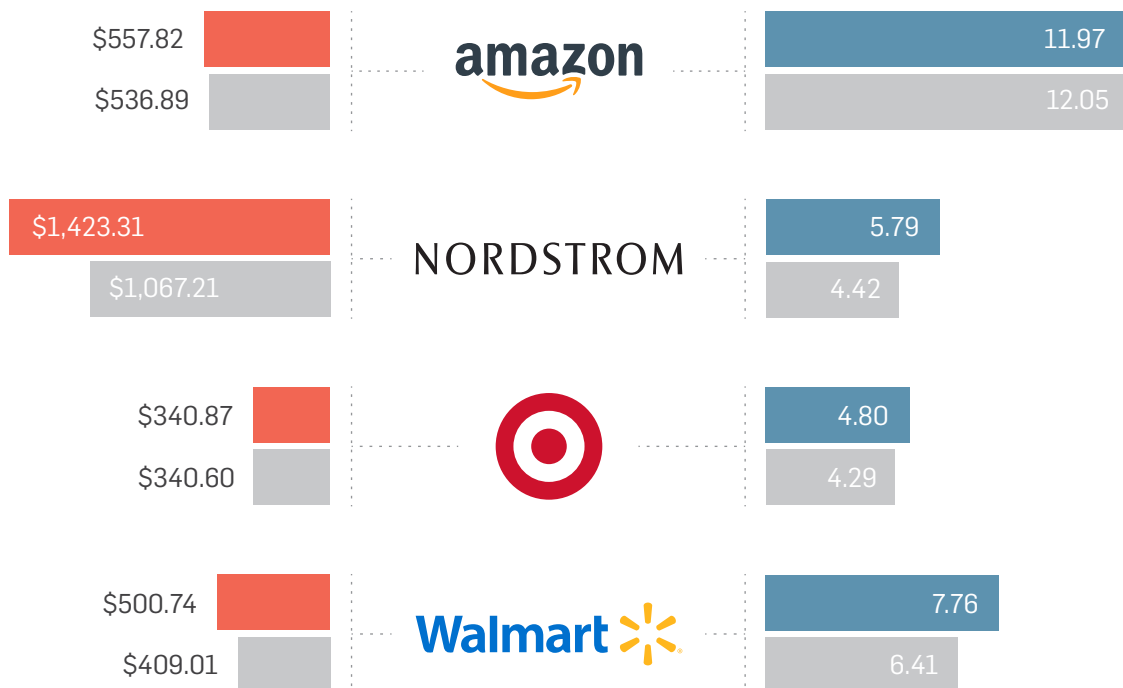
Note: The above charts reflect how much more likely Devoted Diners are to eat at each restaurant than the other segments

SANDWICH SHOP DEVOTED DINERS' BEHAVIOR AT MAJOR AMERICAN RETAILERS

VS. NATIONAL AVERAGE

AVERAGE QUARTERLY SPEND

NO. OF VISITS PER QUARTER



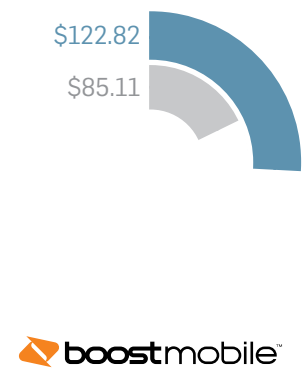
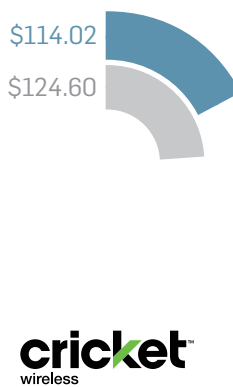
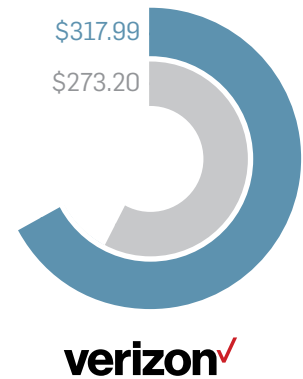
Devoted Diners outspend the consumer average at every retailer we examined, the only segment to do so.

Note: "average spending" above refers to a randomly selected sample of national retail transaction data

Source: Viant Data

SANDWICH SHOP DEVOTED DINERS' AVERAGE QUARTERLY SPEND AT MOBILE RETAILERS

■ DEVOTED DINERS
■ NATIONAL AVERAGE



Devoted Diners significantly outspend other groups of sandwich shop patrons at Boost Mobile, and spend 44.3% more than the average.

TOP TV PROGRAMS



18%



15%



12%

Note: The above charts reflect how much more likely Devoted Diners are to watch each program compared to other segments

KEY TAKEAWAYS

1

With location and transaction data, alongside machine learning capabilities, **QSR marketers can segment their customers to better personalize advertising and ultimately drive more spend.**

2

Not all QSR diners respond to the same types of media. Depending on the segment you're trying to reach, it might make sense to lean heavier on CTV ads vs. mobile ads.

3

Desktop impressions are twice as likely to drive the Breakfast Buyers segment's visits compared to mobile.

4

The **Lunchtime Loyalists** segment love their big vehicles – they are **42% more likely to drive an SUV to pick up their favorite foods.**

5

The **Primetime Patrons** segment responds positively to **CTV ads** when compared to other segments – they are **38% more likely to visit a shop after seeing a CTV ad** than desktop video ad.

6

Desktop video ads resonate the most among **Weekend Diners** – they are **50% more likely to lead to a visit than other ad formats.**

7

When **Devoted Diners** are exposed to a mobile ad, they are almost **three-times more likely to stop by the sandwich shop.**



ABOUT VIANT

Viant Technology LLC is a premier people-based advertising technology company, enabling marketers to plan, execute and measure their digital media investments through a cloud-based platform. Built on a foundation of people instead of cookies, the Viant® Advertising Cloud provides marketers with access to over 250 million registered users in the U.S., infusing accuracy, reach and accountability into cross device advertising. Founded in 1999, Viant owns and operates Adelphic and is a member of the XUMO joint venture. In February 2018, Meredith Corporation (NYSE: MDP) acquired Viant parent company Time Inc. (NYSE:TIME) and all its subsidiary companies, creating a cross channel ecosystem of nearly 200 million unduplicated American consumers every month, including 85 percent of U.S. Millennial women. Viant is a 2018 Inc. Magazine Best Workplaces award winner. For more information, please visit www.viantinc.com.

For more information, please visit viantinc.com or contact Daniella Krieger, VP, Marketing & Communications, dkrieger@viantinc.com.

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