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# Mobile's Influence on the Restaurant Industry:

Tracking Mobile's Influence Among QSRs and Fast-Casual Restaurants
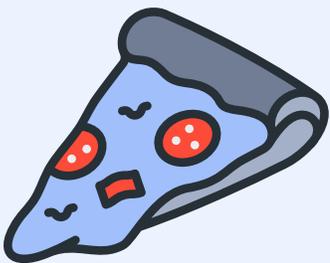
Food has risen from sustenance to the level of entertainment, and mobile is playing a hugely critical role in our food and eating choices today. The quick-service restaurant (QSR) space alone was a **$256 billion industry in 2018 in just the U.S.**, and revenues in the space have grown by $70 billion in the past 10 years.

There are dozens of chains offering fast and filling meals to millions of consumers throughout the U.S., from classic burger joints to salad specialists to Mexican-inspired meal makers and everything else in between.

But who, specifically is going to these restaurants and eating their food? To find out, we gathered insights from InMobi Pulse, InMobi's insights platform that builds a holistic understanding of consumers across data sources ranging from the InMobi ad exchange, which reaches 1.6 billion users globally, to opt-in sourced deterministic first-party telco data to stated feedback directly from the customers.
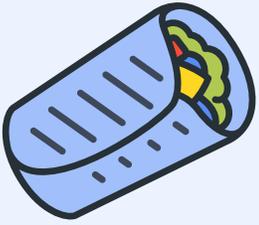
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# Here's the data we used:

🍔 Through first-party telco data (via InMobi Pulse insights platform), we passively observed over 117,000 physical restaurant locations and 9.5 million consumer restaurant visits among 12 leading restaurant brands in the U.S.

🍔 We reviewed first-party telco data to look into who has the restaurant apps and is visiting the mobile websites of major restaurant brands and major mobile food delivery services.

🍔 We surveyed thousands of Americans across the country to get their direct feedback on how they felt about certain brands and their mobile apps. InMobi received responses from more than 1,400 consumers over 30 days during August – September 2019.

On the restaurant side, we focused on some of the biggest names in the U.S. today: Chipotle, Domino's, Chick-Fil-A, sweetgreen, McDonald's, Pizza Hut, Taco Bell, Burger King, Subway, Starbucks, Dunkin' and Wendy's. On the food delivery side, we focused on GrubHub (Seamless and Eat24), DoorDash, Uber Eats and Postmates, which are the biggest food delivery platforms in the country.

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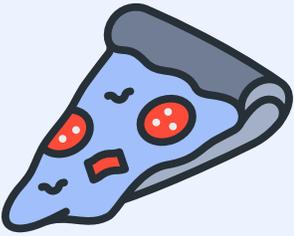
## So what does our data reveal? Here are three important things to know:

🍔 It pays for QSR brands to get people to download their own apps. People with a QSR brand's app on their mobile devices are more than 11% more likely than their non-app owning peers to visit a brand's physical storefront.

🍔 In the QSR category, around one in four app owners visit more than once a week, while only around 9% of non-app owners visit more than once a week.

🍔 In the QSR space, app owners are over 15% more likely than non-app owners to go multiple times a week, and over 19% more likely to go monthly.

# 15%  More likely than non-app owners to go multiple times a week

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## Who are these app owners? How they differ from the brands' mobile web visitors? Here's what our data reveals:

🍔 In the burger, pizza, sandwich and Mexican categories, more men download the apps than women. In the coffee category, more women download the apps than men.

🍔 In the QSR space overall, the average app owner is a White male between the ages of 25 and 44 who makes $50,000 to $75,000 annually.
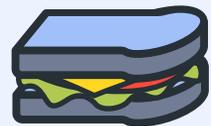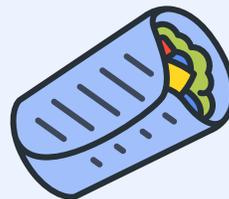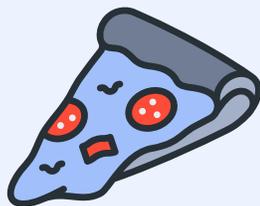
**In burger, pizza, sandwich and Mexican categories, more men download the apps than women.**

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**Overall, most of the brands reviewed have high levels of awareness - at least according to our survey. But what makes someone become an app owner? Why do people bother getting a QSR brand's app on their phone in the first place? Here's what our survey data reveals:**

🍔 Around two out of five respondents have quoted less time waiting in lines as a reason to own apps on the phone.

🍔 A significant percentage of QSR app owners also say they have the app on their phone because it makes their life more convenient and because it provides them with offers and discounts.

🍔 Relatively low numbers of QSR app owners said they have these apps because they offer a seamless experience and/or because it gives them more time to engage in other activities.

What about those without the apps? The top reason people said why they don't have QSR apps is because they prefer to buy things physically. This could mean that consumers have the wrong conceptions about QSR brand apps, not knowing how the app can be used as part of their in-store experiences.

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# What Marketers Should Know About QSR Consumers

Let's say you're a marketer or advertiser at a major QSR brand. How can these insights be made actionable? Here are our top tips to consider.

First, know that the vast majority of time, consumers say they visit a particular QSR brand because it's close to where they live. As such, ads that feature custom maps which highlight where the nearest QSR brand location is to the target consumer/ad viewer are likely to be especially powerful.

These kinds of features can be ideal for driving footfall, which is an area where many brands are lacking. On average, less than one in four Americans has visited one of these brands in the past month. People know about these restaurants, but the vast majority are not taking the time to actually frequent them.

Further, QSR brands should run performance app download campaigns that target the kinds of individuals who are most likely to have QSR brand apps on their phone. App user acquisition is especially critical for QSR brands, since app owners are ultimately more valuable consumers than non-app owners.
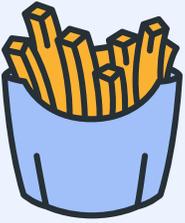
People who've downloaded a brand's app on their device are more loyal than those without. Users with a brands app on their device spend more time engaging with the brand on their phone, visit the brand's locations more frequently and state that they visit more often than those without.

The data also shows that QSR brands are likely better off devoting their budgets to performance over brand advertising. According to our survey data, while between 60% to 80% of Americans have heard of the major QSR brands, app ownership stands at less than 10% on average across the board. Most people know about the brands already, but there's a significant dropoff between awareness and app ownership across the board.

For app performance campaigns, what kinds of offers can be used to entice people to download an app? Highlighting how the app can help someone save money and get food rapidly are good bets, as those are the top reasons why app owners have a QSR app on their mobile device.

Rewards can be a great way to drive app downloads as well. McDonald's, Dairy Queen, Chick-Fil-A and Wendy's have all **used rewards to help drive 2x to 3x more app downloads**. Further, Chipotle's **quarterly revenue rose 13%** during the period when they debuted their app rewards program.

Who specifically should QSR be targeting in their advertising? Some key sample audience segments include mall visitors and, of course, QSR enthusiasts, along with known visitors of specific QSR brands.

Overall, digital channels represent a major untapped opportunity for QSR brands. In 2020, **only 13% of all restaurant sales** are expected to come from digital sources.

**Chipotle's quarterly revenue rose:** **13%**

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# Understanding the Food Delivery Landscape

But when it comes to QSRs, just looking at the brands themselves only provides part of the picture. That's because an increasing amount of business for some of these QSR brands now comes from mobile food delivery services like GrubHub, DoorDash, Uber Eats, Postmates and others.

Between 2016 and 2018, App Annie found that installs of the biggest food delivery apps **increased 115%**. According to eMarketer, there will be **38 million food delivery app users** in the U.S. by the end of 2019, which means that over 16% of all smartphone owners in the country have at least one food delivery app.

**Biggest food delivery apps increased:** **115%**
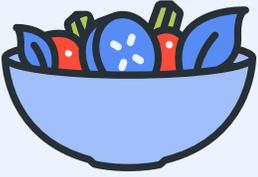
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## So what kinds of people tend to have these food delivery apps on their mobile devices? Here's what InMobi's carrier-verified data reveals:

🍔 Compared to mobile web visitors, app owners are slightly more likely to be male.

🍔 Around a quarter of all app owners are between the ages of 26 and 35 (i.e. Millennials).

🍔 For most of the major apps, 40% or more of app owners are Non-White (either Hispanic/Latino, Black/African-American or Asian/Asian-American/Pacific Islander).

🍔 There's a lot of overlap in food delivery app ownership, with many people having three or more food delivery apps on their mobile devices.

🍔 Food delivery app owners can largely be classified, from an audience segmentation perspective, as college students, entertainment enthusiasts, young and free, high end fashionistas and socialites.

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Two of these audience segments, entertainment enthusiasts and socialites, can at first seem counterintuitive. After all, why would someone who's into entertainment and socializing also be highly likely to order food from an app?

But, this does align with what GlobalWebIndex has found. According to **GlobalWebIndex**, many food takeaway consumers will order in their meals when spending time at home with friends and family, and when consuming media like movies and TV shows at home.

Why do people turn to delivery in the first place? Research from GlobalWebIndex found that free delivery and fast delivery were the top selection criteria, followed by discounts, rewards or special offers.

# What Marketers Should Know About Food Delivery Consumers

For food delivery app marketers, not only are they competing against each other, but also against the restaurant brands themselves. Many major QSR restaurants have their own apps that include delivery features. As a result, marketers and advertisers need to be especially cognizant of how their budgets are impacting the overall business.

In the food delivery space in particular, age is a critical factor. Part of the customer experience that QSRs can't ignore is how millennials appreciate convenience. It's apparent in how they've responded to mobile apps. In an increasingly "connected" age, diners regularly use mobile (both apps and mobile payments).

Overall, it's critical to ensure that food delivery companies are targeting the right audience segments. In particular, university students and people living in and near major urban centers are ideal target constituents.

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It's also key to entice people to download an app with targeted offers. As the research shows, offering free delivery for a limited time is more likely to garner installs than highlighting individual customer restaurant reviews or showing that the app supports healthy food options.

Interested in learning even more about the modern QSR food consumer? **Reach out today** to get additional insights from **InMobi Pulse**.

## About InMobi

InMobi drives real connections between brands and consumers by leveraging its technology platforms and exclusive access to mobile intelligence. Its Marketing Cloud creates new paths for brands to understand, identify, engage and acquire connected consumers. As a leading technology company, InMobi has been recognized on both the 2018 and 2019 CNBC Disruptor 50 list and as one of Fast Company's 2018 World's Most Innovative Companies. For more information, visit **inmobi.com**.

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# Our Commitment to Data Privacy: What You Need to Know About This Data

InMobi takes user privacy extremely seriously. We meet the most rigorous governance, compliance, and security standards. We have collaborated with consumer advocacy groups and incorporate guidelines from multiple federal government agencies to define industry-leading practices for data governance in the U.S.

Users retain complete control over the data they provide, have a choice in whether they participate and have transparency as to how their data is utilized. Subscribers have constant access to their privacy elections through multiple telco touchpoints. The patented anonymization platform ensures data sets are 100% secure, and are refreshed to ensure all data are anonymized.

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