Impact of COVID-19: QSR Marketing

with Matt Kaplan, Julie Berger & Jeremy Huber
Welcome!

- **Logistics:** 30 minutes, questions at the end, you will get a recording and a copy of the slides

- **Brands reviewed:** Chili's, Chick-Fil-A, Chipotle, Burger King, Popeye's, McDonald's, Sonic, Subway, Taco Bell, Wendy's, Pizza Hut, Papa John's, Little Caesars, Domino's, Starbucks, Panera, Dunkin’

- **Purpose:** To better understand consumer behavior and the role of mobile for QSR brands in these unprecedented times
What We’ll Discuss Today

• Speakers and Data Source
• Understanding the Preferences of QSR Mobile Customers Today
• Third-Party Food Delivery Trends
• First-Party QSR App Trends
• Why Should QSR Brands Have Their Own Apps?
• Who is Seeing Success?
• Who are Downloading First-Party QSR Apps?
• Predicting What's Next
• Questions
Speakers

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InMobi Intelligence Solutions: Data Overview

Observed: Who, What, When and Where

- **1st-Party Carrier Data**
  - 32 Million Person Panel
  - 24/7 Mobile Behaviors
  - Mobile Website Visits
  - App Install, Usage, Uninstalls
  - Location Signals (600+ daily pings)
  - *Currently U.S. Only*

- **App SDK Data**
  - GPS Location Signals
  - App and Device Usage
  - O/O apps + SDK

Stated: Why

- **Stated Data (Survey)**
  - from 1.3 billion users globally across 30,000+ partner apps.
  - 270MM in the U.S - 5,000 partner apps

Experian-verified data
deterministic demographic and psychographic segments
Among the more than 1,500 Americans we surveyed in early May, 31% said they have reduced their visits to restaurants or stopped eating out altogether.

The share of survey respondents who said they have reduced their visits to restaurants or stopped eating out altogether went from 37% in March to 34% in April to 31% in May.

This may mean that many Americans are itching to get back to their routines, including getting meals cooked from their favorite restaurants.

Source: InMobi Pulse Survey data, Wave 1 n=2,533; Wave 2 n=1,550; Wave 3 n=1,543

Q: How, if at all, have your eating habits changed since the coronavirus outbreak?
Understanding the Preferences of QSR Customers Today - Takeout

The share of survey respondents who say they are increasing ordering food for takeout and delivery went from 7% in March to 10% in April to 17% in May.

The share of survey respondents who say they have reduced or stopped ordering food for takeout and delivery went from 20% in April to 17% in May.

With many Americans sheltering in place for three to four months now, takeout and delivery is becoming more central to how adults in the U.S. are eating.

Source: InMobi Pulse Survey data, Wave 1 n=2,533; Wave 2 n=1,550; Wave 3 n=1,543

Q: How, if at all, have your eating habits changed since the coronavirus outbreak?
Third-Party Food Delivery Trends

Delivery App Installs – 3/1/20 – 5/14/20

Source: InMobi Pinsight telco data, September - November 2019
March 2: National Egg McMuffin Day. Users required to download the McDonald’s app to redeem.

Burger King capitalized on a low pre-COVID app adoption rate + media investment targeting app installs to outpace all others QSRs for weeks in new app installs in the U.S.

April 9: Sonic releases $0.99 popcorn chicken coupon in app.

April 27: Sonic announces daily in-app specials will run through May 1.

First-Party QSR App Trends

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<th>Burger QSR App Installs – 3/1/20 – 5/14/20</th>
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March 4: Subway announces BOGO footlong when purchased in app.

March 16: Chick-fil-A closes all dining room seating.

Source: InMobi Pinsight telco data, September - November 2019
Domino’s was the consistent leader in app installs pre-COVID and through March 2020.

Little Caesars took the top spot for new app installs beginning in April 2020.
Why Should QSR Brands Have Their Own Apps?

Better able to cultivate customer loyalty

More insights into customers

App owners are more loyal and more likely to visit a brand’s location
Who is Seeing Success? Burger King

Between March 15 and March 22, week-over-week app installs were up 99%.

They have continued advertising, highlighting their contactless delivery and pickup options via mobile ordering.

• Stay Home with Whopper campaign
• 3 for $3 Challenge
• QR Whopper

They are okay running ads alongside content that mentions terms like “COVID-19” and “coronavirus.”

Promoted BK app, plus partnerships with Uber Eats, DoorDash and Postmates.
Who is Seeing Success?  Little Caesars

Benefits of Little Caesars Business Model for Current Situation

- Pre-existing takeout strength, plus ideal price point for current economy
- Digital ordering was a core focus before March

Marketing and Advertising Efforts at Present

- No-contact options: Food prep, delivery, etc.
- Continued advertising and marketing plans and efforts while making adjustments in light of current reality
Who are Downloading First-Party QSR Apps?

Compared to app installers pre-COVID-19, post-COVID installers were more likely to be white, male, with income levels between $35k-$125k income ranges and between the ages of 26 and 55. This is largely a doubling down on QSR’s core audience.
Breakfast category will be slowest to rebound, so expect brands in this category to spend to get consumers back on their old habits.

Delivery and pickup, especially through digital channels, will be popular even after the pandemic passes. The spikes we’re seeing are not transient.

Brands can engender loyalty by having their own app. After all, time spent in apps is only going to keep going up.
Predicting What’s Next

Habits seen today **will be in place after the pandemic too** – for example, leading QSR brands expect to continue to be able to reach their ideal audiences through apps like mobile games.

Changing tone of marketing and messaging — more focus on community, cleanliness, local habits.
Summary

Every QSR brand should have its own app, as first-party QSR app owners are more loyal customers who spend more with them.

Now is an ideal time to continue marketing, push app installs, communicate with consumers in app, as these efforts will pay dividends both now and in the future.

Some habits seen today were in motion before the pandemic and will likely stick around long afterwards.
Questions?

For all follow-up queries, email me directly at matt.kaplan@inmobi.com