

Industry Data Report

Marketing Spend – 2020

- In the past, aggregate marketing spend would grow in-line with systemwide sales growth (a combination of comps & new unit development). However, the effectiveness of traditional TV ads is declining as fewer consumers watch live TV, opting instead for Netflix, social media, Internet video and gaming. The brands must face the reality of what demo is left watching traditional TV (beyond live sports).
- However, change happens slowly, and it takes a great stretch of faith to migrate marketing spend away from traditional TV to nascent, unproven marketing channels.
- In any case, the data from this report does reveal a slow, but steady migration away from expensive TV advertising towards DIY social media marketing. Resultantly, we see an increase in marketing admin spend with a corresponding decrease in the percentage of spend on national, and especially, local (reflecting less scale-based cost effectiveness of local TV vis-a-vi national TV).
- It remains our opinion that the industry’s challenge to reach consumers with their messaging (given the ongoing, seismic shift in media consumption) represents a leading contributor to current traffic challenges.

Estimated Total Net Marketing Spend \$1B+ Restaurant Chains (\$ Billions)

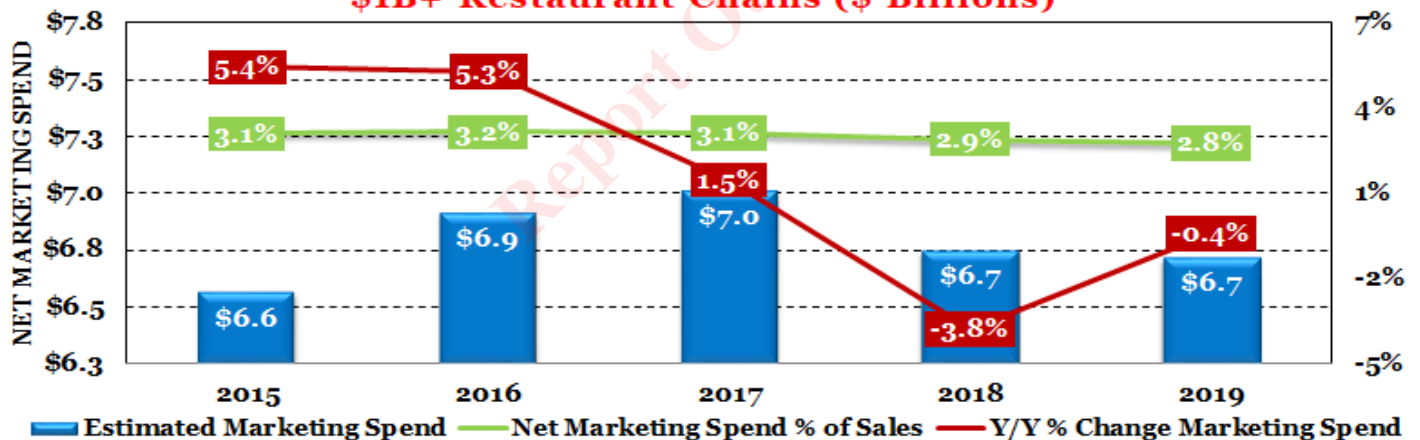


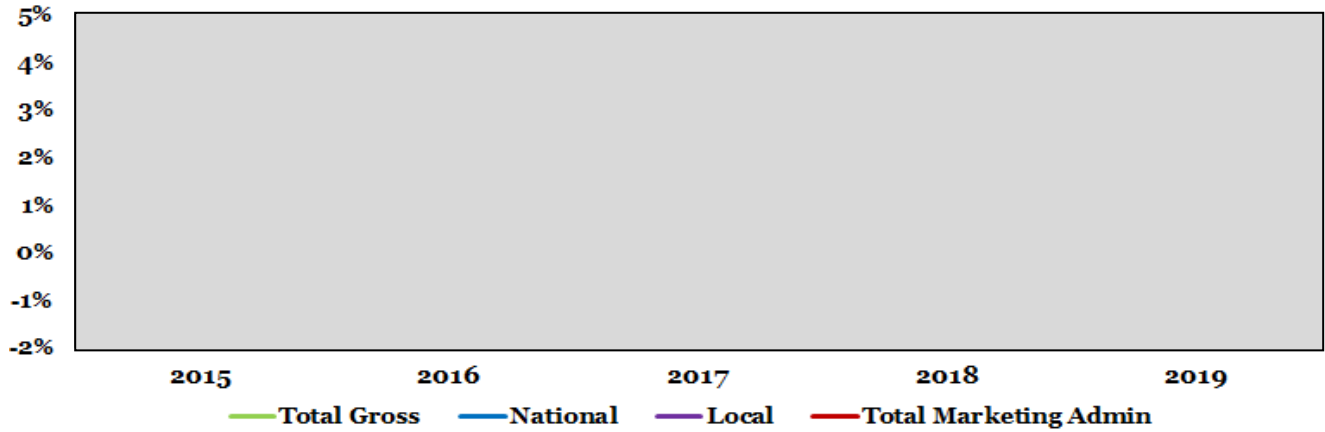
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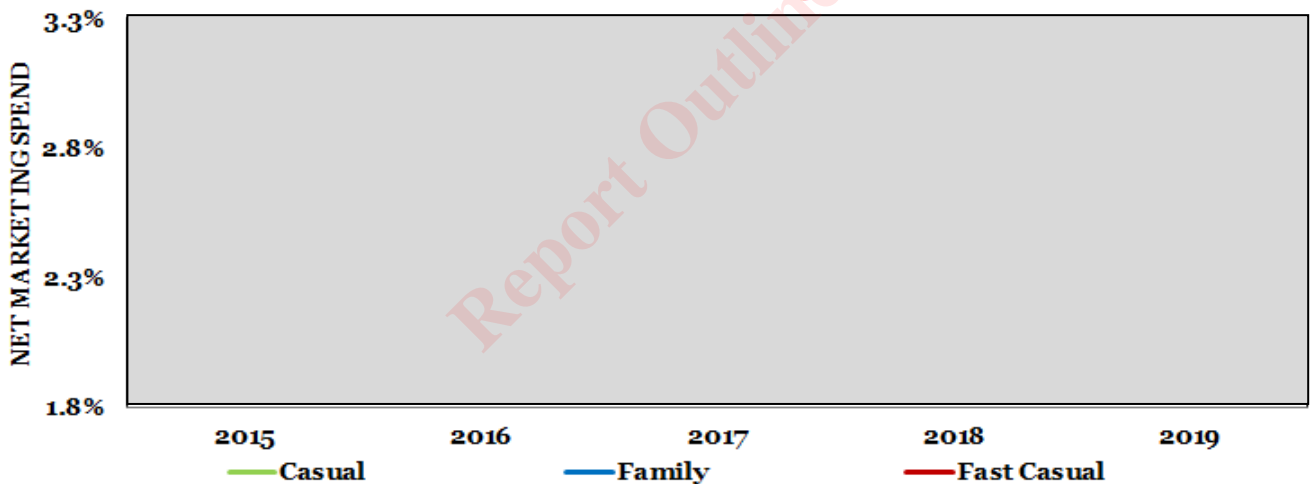
Data in spreadsheet form available at <http://www.ChainRestaurantData.com>

Changes to Marketing Allocations by Segment

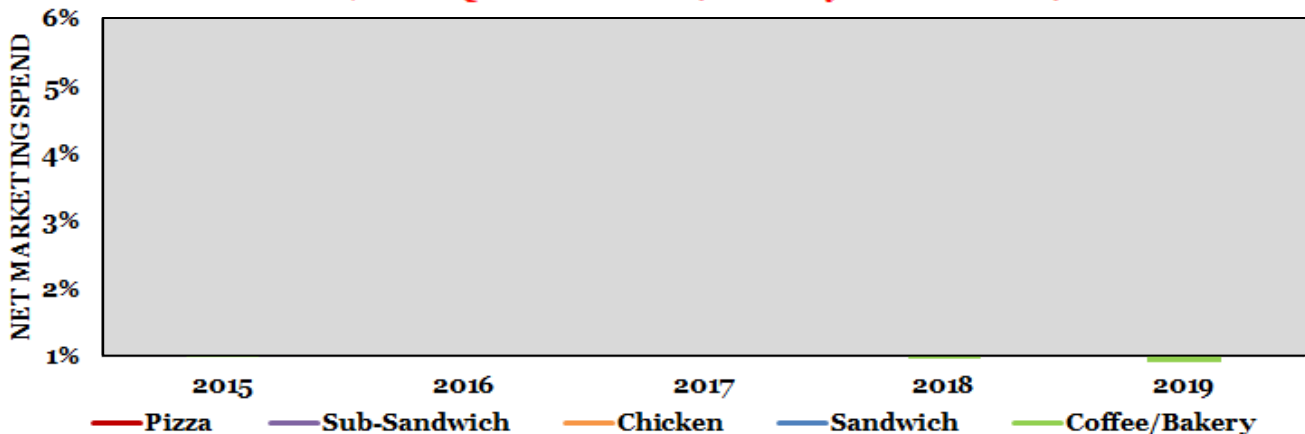
Estimated Total Marketing Spend as a % of System Sales



Estimated Total Net Marketing Spend by Segment \$1B+ FSR Chains (% of System Sales)



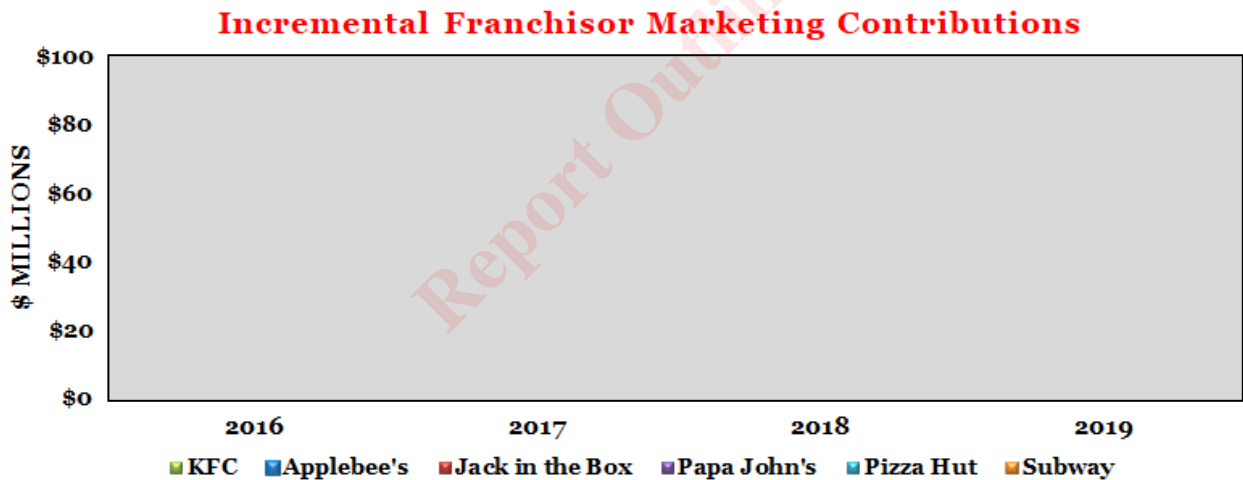
Estimated Total Net Marketing Spend by Segment \$1B+ QSR Chains (% of System Sales)



Changes to Marketing Allocations & Creative Agencies by Chain

Changes to Marketing Allocations					
Chain	Effective Date	National	Local/Co-op	Net Budget Impact	Incremental 2019 Franchisor Contributions

- (1)
- (2)
- (3)



Creative Ad Agency Changes			
Chain	Date	New Agency	Old Agency

**\$1B+ Chain Marketing Summary
(Ranked by Estimated 2019 U.S. Net Marketing Spend)**

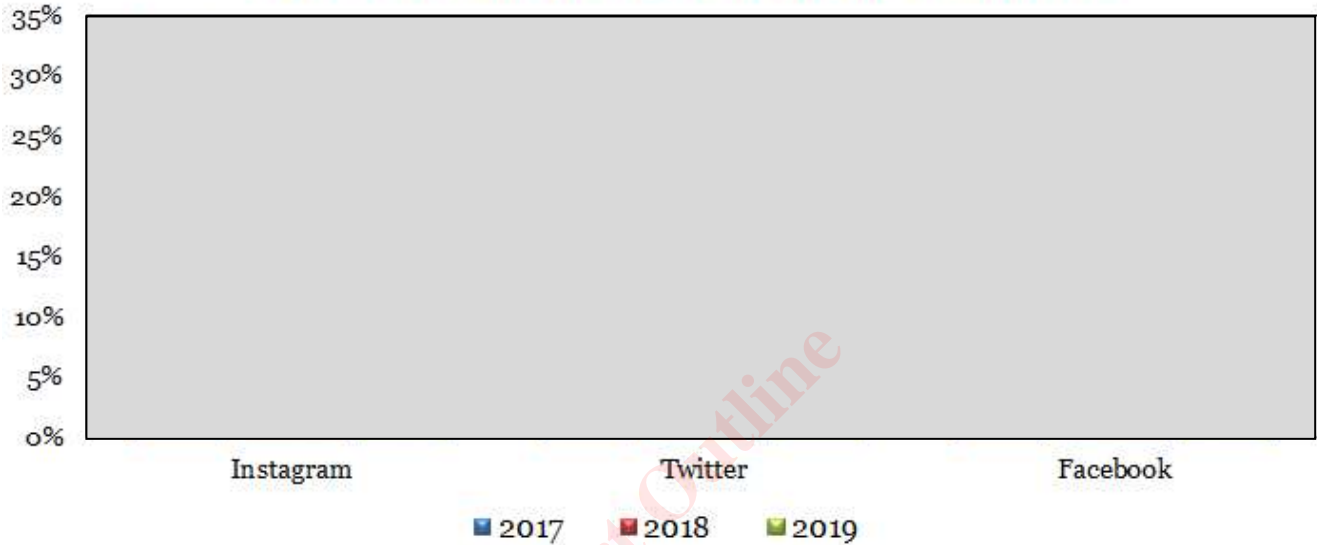
Chain	Creative Ad Agency	Year Hired	Gross Store Level Marketing Contributions				Incremental Franchisor Contributions	Total Marketing Admin ⁽¹⁾	2019 Net Marketing Spend	
			National/Brand Fee	Local/Co-op	Support/Admin.	Total Gross			% of Sales	Spend (\$MM)
Olive Garden										
Applebee's										
Chili's Grill & Bar										
Red Lobster										
Buffalo Wild										
Outback										
LongHorn										
Red Robin										
T.G.I. Friday's										
Texas Roadhouse										
BJ's Restaurants										
Cheesecake										
Casual										
IHOP										
Cracker Barrel										
Denny's										
Golden Corral										
Bob Evans										
Perkins										
Family										
Chipotle										
Panera Bread										
Moe's Southwest										
Qdoba										
Corner Bakery										
Fast Casual										
McDonald's										
Taco Bell										
Burger King										
Wendy's										
Arby's										
Sonic Drive-In										
Dairy Queen										
Jack in the Box										
Hardee's										
Chick-fil-A										
Carl's Jr.										
Zaxby's										
Culver's										
Checkers/ Rally's										
Five Guys										
Whataburger										
Sandwich										
Domino's										
Pizza Hut										
Papa John's										
Little Caesars										
Pizza										
Subway										
Jimmy John's										
Jersey Mike's										
Firehouse Subs										
Sub-Sandwich										
KFC										
Popeyes										
Wingstop										
Bojangles'										
Church's										
Chicken										
Dunkin Donuts										
Starbucks										
Tim Horton's										
Krispy Kreme										
Coffee/Bakery										
Total										

(1) Total marketing administrative expense = mandated support/administrative fees + total national/brand fund production/administrative expenses (included in the gross national/brand fee % requirement).

Social Media Stats

-

\$1B+ Chains Y/Y Growth in Followers



\$1B+ Chains 2019 y/y Follower Growth

Segment	Instagram	Twitter	Facebook
Chicken			
Fast Casual			
Sandwich			
Pizza			
Casual			
Sub-Sandwich			
Family			
Coffee/Bakery			

\$1B+ Chains Social Media Followers
Ranked by Change in Facebook Followers (Dec. '19/Dec. '18)

Chain	Social Media Followers (Dec. '19)			Social Media Followers Y/Y % Change (Dec. '19/Dec. '18)		
	Twitter	Instagram	Facebook	Twitter	Instagram	Facebook
Texas Roadhouse						
T.G.I. Friday's						
Buffalo Wild Wings						
LongHorn						
Applebee's						
Cheesecake Factory						
Chili's Grill & Bar						
Red Robin						
Red Lobster						
Outback						
Olive Garden						
BJ's Restaurants						
Casual						
Golden Corral						
Denny's						
Perkins						
IHOP						
Cracker Barrel						
Bob Evans						
Family						
Corner Bakery Café						
Chipotle						
Qdoba						
Moe's Southwest Grill						
Panera Bread						
Fast Casual						
Five Guys						
Dairy Queen						
McDonald's						
Burger King						
Chick-fil-A						
Hardee's						
Whataburger						
Checkers/ Rally's						
Arby's						
Sonic Drive-In						
Wendy's						
Zaxby's						
Carl's Jr.						
Culver's						
Taco Bell						
Jack in the Box						
Sandwich						
Little Caesars						
Papa John's						
Domino's						
Pizza Hut						
Pizza						

\$1B+ Chains Social Media Followers
Ranked by Change in Facebook Followers (Dec. '19/Dec. '18)

Chain	Social Media Followers (Dec. '19)			Social Media Followers Y/Y % Change (Dec. '19/Dec. '18)		
	Twitter	Instagram	Facebook	Twitter	Instagram	Facebook
Firehouse Subs						
Jersey Mike's						
Jimmy John's						
Subway						
Sub-Sandwich						
Krispy Kreme						
Tim Horton's						
Dunkin Donuts						
Starbucks						
Coffee/Bakery						
Popeyes						
KFC						
Bojangles'						
Church's						
Chicken						
Total						

Report Outline

All Inclusive Subscription Package

Value-Added Data & Insight for \$1B+ Chains

Concept Benchmarking Reports

Applebee's	Arby's	Burger King	Carl's Jr.
Chili's	Church's	Denny's	Domino's
Hardee's	IHOP	Jack in the Box	KFC
McDonald's	Panera	Papa John's	Pizza Hut
Popeyes	Sonic	Subway	Taco Bell
TGI Friday's	Wendy's	Quarterly Concept Updates*	

Industry Benchmarking (50+ Chains)

Store Level	Systemwide	Finance
New Unit Investment	Quarterly Same Store Sales*	Unit Valuations
Remodeling	Annual RR Databook*	Franchise Finance
Unit Economics	Unit & Sales Growth Analysis	
Marketing Spend	Menu & Promotions	
	Commodities Database*	

* Only available as part of subscription.

FDD library for 40+ Chains

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