



Marketing Playbook: Accelerating Demand for Quick-Service and Fast-Casual Restaurants

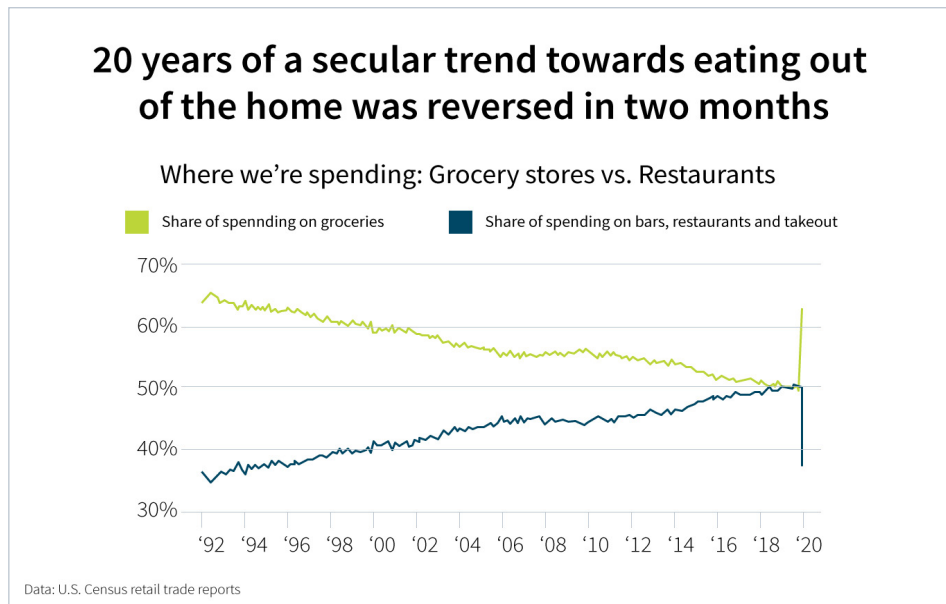


The Impact on Quick-Service and Fast-Casual Restaurants

The Quick-Service Restaurant (QSR) and Fast-Casual Restaurant (FCR) industries are reeling from the devastating impact of COVID-19.

New data suggests that:

- + 7 million QSR employees could be without work by the end of June.¹
- + Same-store sales at Wendy's are down by as much as 29%.²
- + Sales are down by as much as 35% at McDonald's, Burger King, and Taco Bell.
- + The two industries have lost more than \$75 billion dollars in market capitalization.³



Other signals indicate better days are on the horizon.

Especially as:

- + Social-distancing measures relax.
- + Consumers grow weary of cooking for themselves.
- + Brands continue to offer consumers a blend of value and convenience.

1 <https://www.mckinsey.com/industries/retail/our-insights/delivering-when-it-matters-quick-service-restaurants-in-coronavirus-times>

2 <https://www.businessinsider.com/fast-food-items-uncertain-future-coronavirus-2020-5>

3 <https://aaronallen.com/blog/restaurant-industry-coronavirus>

Signal #1

Sales are rising as consumers—spurred by federal stimulus and a slow, steady return to work—resume eating out in larger numbers.⁴

Signal #2

Consumers are still very interested in dining out, with 12% of American adults (roughly 25 million people) ordering food from a restaurant 5x per week.⁵

Signal #3

As QSRs slowly end their drive-thru-only service, consumers are jumping at the opportunity to eat in-restaurant (in-restaurant dining is growing by double-digits week-over-week).⁶

Optimistic signals like these should be a beacon of hope for those working in the Quick-Service and Fast-Casual Restaurant business.

Having said that, it's critical to note things will never be the same. Among other changes...

- + Traditional marketing will be less productive without foot traffic.
- + Personalized, real-time digital messaging will be necessary to be competitive in a sea of in-restaurant and delivery options.
- + QSRs and FCRs are finding it difficult to connect and engage with the 180% of diners that shifted to digital.

To thrive going forward, the QSR and FCR industries will need a more thoughtful, tech-driven approach to marketing. An approach that focuses on targeting only the most engaged customers and prospects as determined by inputs like...

- + Data
- + Technology
- + Audience modeling

This new approach is the only way to mitigate waste and maximize ROI in the months and years ahead.

⁴ <https://www.restaurantbusinessonline.com/financing/stimulus-checks-arrive-restaurants-see-sales-jump>

⁵ Zeta proprietary data

⁶ Zeta proprietary data





What Does the New Consumer Look Like in a World of Social Distancing?

According to Zeta Data Trends, the new consumer will fit one of the following three profiles:

Profile #1 — The Optimistic Diner

Anxious to get back to “business as usual”, these are the diners ready to resume their pre-Coronavirus eating habits. For QSRs and FCRs looking to maximize sales as quickly as possible in the near term, identifying and targeting these loyal diners is critical.

Profile #2 — The Cautious Diner

Consumers who aren’t financially limited (e.g. Americans who remain employed and receive regular pay), but are concerned about a second outbreak or a lackluster economic recovery will be slow to resume their pre-COVID-19 dining habits. Mindful of what they’re spending on, these consumers will focus first on meeting basic needs (e.g. groceries), before cautiously exploring less essential needs (e.g. dining out).

Profile #3 — The Hands-Tied Diner

High unemployment (up 420% since February 2020⁷) and furlough numbers will force a large percentage of American consumers to press “pause” on eating out. Cash and credit will be exclusively reserved for immediate needs (e.g. rent, groceries, utilities, etc.).

⁷ <https://tradingeconomics.com/united-states/unemployment-rate>

Overall...

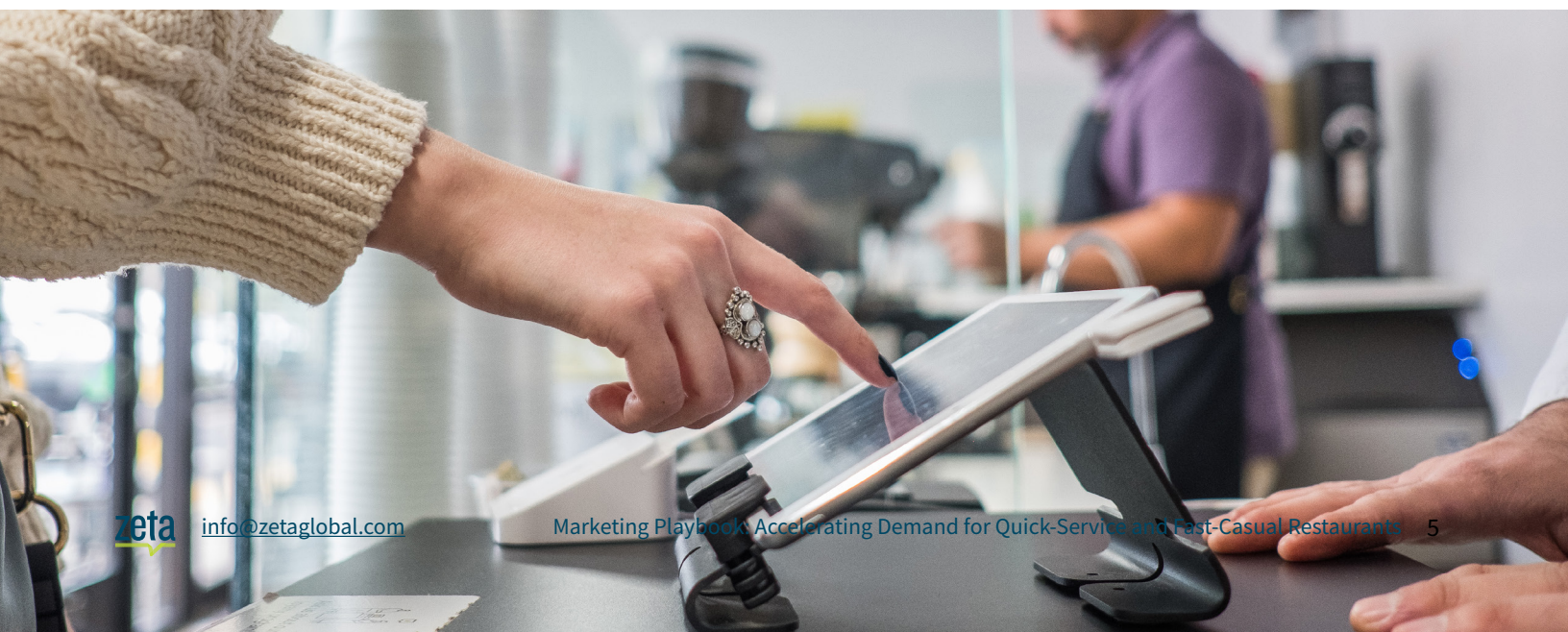
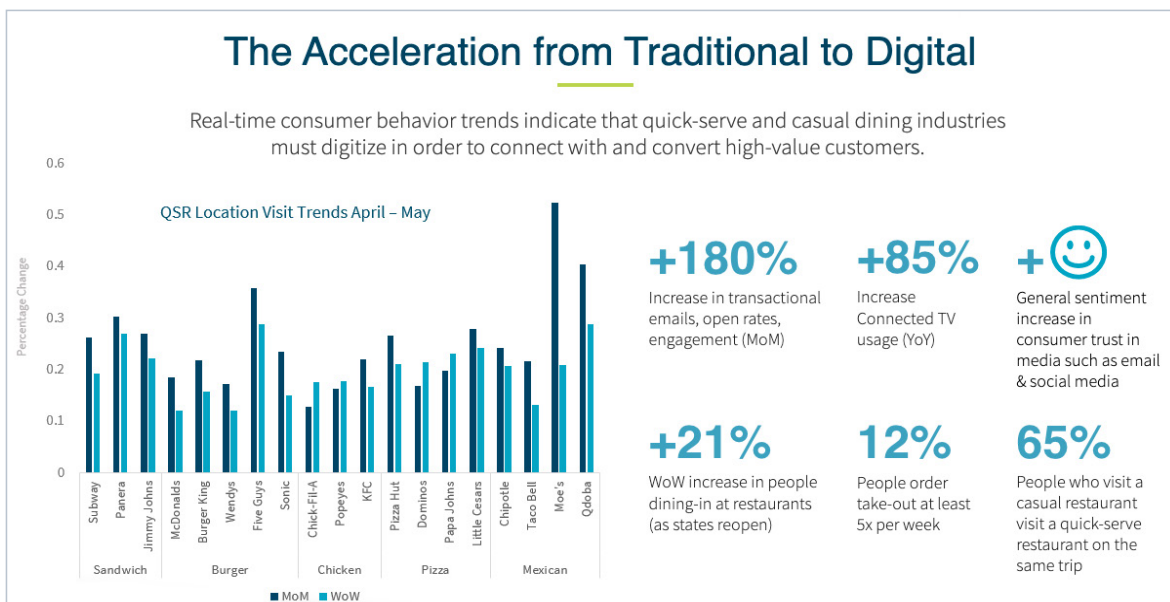
Consumers will be more price sensitive than brand loyal in the months ahead. They will seek out great deals and patronize the Quick-Service and Fast-Casual Restaurants with the most compelling incentives.

In other words, convenience and value will be primary motivating factors when it comes to deciding where to eat out.

QSR and FCR marketers should not only start developing messaging infused with sentiments of economy and ease, but also promotional offers and coupons. This messaging should be targeted at the Optimistic Diners first, then the Cautious Diners and, finally, Hands-Tied Diners.

Accomplishing this will require direction derived from a variety of data sources, including loyalty data, transaction data, and geographic data.

Using these inputs in conjunction with other kinds of signals will allow QSR and FCR marketers to better target and connect with those diners ready to resume eating out.





5 Strategic Opportunities QSR and FCR Marketers Should Focus on Right Now

According to Zeta's proprietary data cloud, QSR and FCR marketers can excite, engage, and convert prospective customers by focusing on these five opportunities:

Opportunity #1 – Understand real-time customer value

Bringing to life rich, data-based insights that illuminate the realities of the customer journey in real time is one of the most important things for QSR and FCR marketers to do. Done properly, it can lead to huge lift in both new diner acquisition and past-diner reactivation.

However, understanding real-time customer value isn't easy—at least not without the right partner.

Zeta monitors 2+ million unique visitors and 18+ billion content consumption signals on a monthly basis to create dynamic audience clusters. From those clusters, Zeta monitors behavioral signals in real-time, to identify specific, activatable audiences (as well as individuals within those audiences) ready for engagement using an omnichannel approach.

Zeta's whole process of understanding real-time customer value is monitored via a continuous feedback loop that allows for optimization in real-time.

Opportunity 2 - Identify moments of prime acquisition

As QSRs and FCRs work to adapt the new experiential expectations of consumers (e.g. contact-less order fulfillment, social distancing, etc.), capturing diner attention at its peak—when hunger strikes—will be more important than ever.

By finding the right blend of data, intent signals, and artificial intelligence, Quick-Service and Fast-Casual Restaurant marketers can not only identify potential new diners, but engage with them when they're most receptive (i.e. when they need a bite to eat).

Opportunity 3 - Get clear insight on what's delivering ROI

Additional investment in attribution and incremental measurement will allow QSR and FCR marketers to obtain more clarity into where ROI is being created, and how much of that ROI would have been unattainable without the efforts of specific campaigns.

Opportunity 4 - Pull the mask off anonymous diners with ID resolution

QSR and FCR marketers, like all marketers, are famous for focusing on the known—known identities, known prospects, and known customers.

But in focusing exclusively on “known” identities, QSR and FCR marketers are selling themselves short—there’s a whole pool of anonymous diners just waiting to be identified, targeted, messaged.

To capitalize on this opportunity, QSR and FCR marketers must learn to embrace identity resolution technology. ID resolution is the only way to find all high-value prospects available across channels.

Matched against Zeta’s intent signals (behavioral signals, geographic signals, etc.), ID resolution can open the floodgates to new diners, new orders, and new revenue streams.



Opportunity 5 – Personalize the diner experience to increase loyalty, maximize retention, and mitigate churn

With marketing budgets cut, Quick-Service and Fast-Casual restaurant brands must strive to grow the value of existing diner relationships.

By leveraging real-time data signals, QSR and FCR brands can better understand if (and when) diners are considering competitors, demonstrating intent to churn, or losing interest with specific menu items or lines of messaging.

Using Zeta’s data set, QSR and FCR brands can not only see if an individual diner is engaging with a competitor, but also understand that diner’s motivations for doing so (their real-time interests and engagement preferences).

Email is perhaps the best channel for personalizing the diner experience, as it’s an easy, affordable, high-yield ROI way for QSR and FCR brands to share information about new menu items, special offers, and more.



Drive more sales online

The entire Quick-Service and Fast-Casual Restaurant industries need to rethink how food is sold in the wake of COVID-19. While moving an entire restaurant business from brick and mortar to digital might not be possible (or desirable) shifting a larger percentage of the operation online certainly is.

In addition to making it easier for QSR and FCR brands to weather any additional outbreaks of COVID-19 in the latter half of 2020, an increased digital presence is something diners want from all quick-service restaurants. QSRs and FCRs should start tackling this challenge by updating their websites, making it easier to order online, offering free delivery, and streamlining the in-restaurant pickup process.

Increase leverage of key data signals

Data signals are an essential ingredient to the successful activation of paid and owned marketing channels. They make it possible to determine which audiences show the highest interest in things like products, promotional offers, or even competitors. For Quick-Service and Fast-Casual Restaurants looking to get in front of the right diners at the right time, identity and intent signals captured across every channel are the best way to go.

Deploy personalized messages to targeted audiences

The post-COVID-19 consumer expects a personalized dining experience, whether they're ordering online or in store. To deliver that experience, Quick-Service and Fast-Casual Restaurants must make better use of their own first-party data by gaining access to the behavioral, transactional, and location signals obtained by third-parties like Zeta. Sync known email addresses with existing CRM profiles or loyalty program members to target key diners with personalization and accuracy.

Only by taking steps like these can QSRs and FCRs hope to create a loyalty-building, personalized marketing experience that delivers the right message at the right time.

How Zeta Helps

Zeta is here to help quick-service restaurants during this difficult time. Our data-driven digital technology is built to help QSR marketers future-proof their campaigns and maximize positive business outcomes even in times of crisis.



Zeta Opportunity Explorer

Discover new prospects through Zeta's Opportunity Explorer, which includes market insights, customer insights, and your QSR brand's activation opportunities across our 2.4 billion data cloud identities.



CRM media (ESP)

Engage and retain your most loyal diners with scalable personalized messaging to reach them in the right place, at the right time.



Omnichannel data orchestration

Take full advantage of everything programmatic has to offer by deploying data-driven campaigns across every viable channel.



Measurement and Attribution

Quick-Service and Fast-Casual Restaurants can benefit from tying their media spend to individual deterministic identities, providing insight that goes beyond traditional attribution and into incremental insights.



ID matching

Leverage the Zeta Data Cloud to deliver messaging throughout the diner journey, across all channels and devices (website, email, SEM, meta, display, social, etc.).



Data signals and visitor profiles

Know when to provide the right customer with the right promotion. Match your known and anonymous website profiles against Zeta's 750 million deterministic consumer data set to identify shifting diner behaviors, improve targeting, and power customer acquisition.

Why Zeta?

Zeta supports QSRs and marketers by becoming an extension of their internal team. We integrate our people, products, and drive for optimal performance into our client's marketing framework to achieve the best results possible.

Use our account strategists, programmatic traders, data insights, analytics, artificial intelligence tools, and the rest of our robust resources to meet the unique marketing needs of your brand.

Contact us

Whatever you need, we're here to serve—contact us at info@zetaglobal.com



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