

# The Launching of an Industry – Quick Service Restaurants

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## The start of an icon...and an industry.

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On April 15, 1955, the first McDonald's opened for business in Des Plaines, IL. Not only does that date mark the beginning of the most successful quick service restaurant (QSR) in America, it also launched the QSR industry.

Fifty-four years later, the eating habits of America are permanently changed. Experian Simmons took a look at the health of the QSR industry today.

Source: Experian Simmons National Consumer Study/National Hispanic Consumer Study Fall 2004, 2005, 2006, 2007, 2008 Full Year



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# Which Chain is Super Sizing the Business?

The adjacent table shows the five-year trend of QSR chains American consumers preferred most. McDonald's and Burger King have held the #1 and #2 positions over this time period but there have been changes, most notably with Wendy's and Subway.

The proliferation of QSR chains has caused "Others" (an aggregation of the many smaller chains) to actually hold a significant market share.

Fast Food Chain	2004	2005	2006	2007	2008
McDonald's	1	1	1	1	1
Burger King	2	2	2	2	2
Subway	5	5	5	4	3
Taco Bell	4	4	4	5	4
Wendy's	3	3	3	3	5
KFC	6	6	6	6	6
Pizza Hut	7	7	7	7	7
Arby's	8	8	8	8	8
Other fast food restaurant	18	9	9	9	9
Dairy Queen	9	10	10	10	10

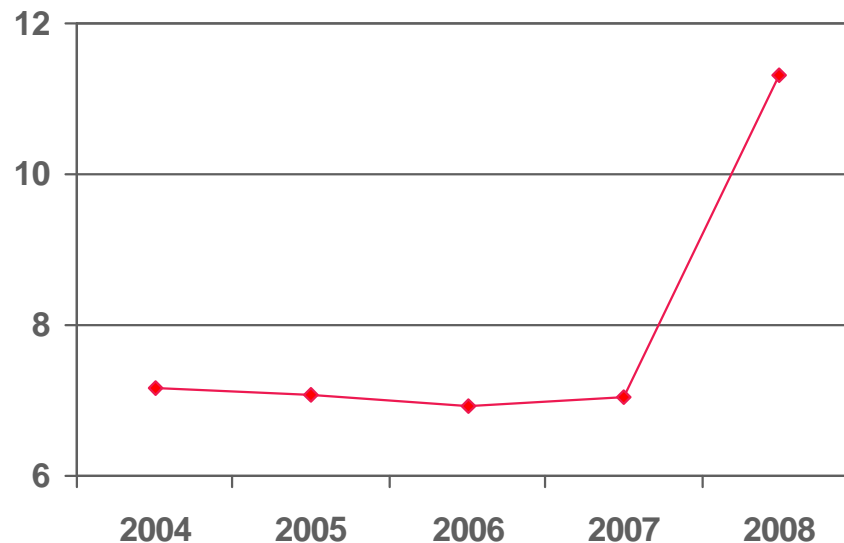
# New Comers

Three chains - Chipotle, Jamba Juice, and Panera Bread – are relative new comers to the market yet they have become an important force in the QSR market. Each have carved a niche with their specialized offerings.

Fast Food Chain	2004	2005	2006	2007	2008
Chipotle	57	57	35	33	26
Jamba Juice	58	58	58	60	38
Panera Bread	29	25	23	20	18

# Booming Business

The average number of visits Americans make to quick service restaurants substantially increased between 2007 and 2008. This may be caused by the recent economic crisis which Experian Simmons detailed in its recent [Economic Series Report: Dining Out](#).



◆ Average number of visits to a quick service restaurant in the last 30 days

## Which is the Fast Food Region?

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Overall, Midwesterners are most likely to eat at quick service restaurants. The next slide lists the likelihood of people in each region to eat at the 13 fast food chains Experian Simmons reviewed. The table on the right illustrates how many of each region's residents eat at the quick service restaurants (percentage of population).

One reason Westerners are more likely to eat at “other fast food restaurants” may be because the Western region has a number of quick service restaurants that aren't present in other regions.

## Which is the Fast Food Region? Cont'd

Fast Food Chain by Index	Northeast	Midwest	South	West
McDonald's	106	111	97	89
Burger King	<b>114</b>	108	94	92
Subway	83	114	102	96
Taco Bell	70	112	96	<b>117</b>
Wendy's	112	103	107	76
KFC	88	107	101	100
Pizza Hut	91	111	105	86
Arby's	62	139	104	81
Other fast food restaurant	78	104	97	<b>117</b>
Dairy Queen	56	141	102	87
Chipotle	45	155	79	118
Jamba Juice	74	50	65	232
Panera	117	143	92	55

Fast Food Chain by Percentage	Northeast	Midwest	South	West
McDonald's	70%	74%	65%	59%
Burger King	<b>51%</b>	48%	42%	41%
Subway	30%	41%	37%	35%
Taco Bell	24%	38%	33%	<b>40%</b>
Wendy's	<b>37%</b>	35%	36%	26%
KFC	28%	34%	32%	32%
Pizza Hut	24%	29%	27%	22%
Arby's	15%	35%	26%	20%
Other fast food restaurant	16%	21%	19%	<b>23%</b>
Dairy Queen	11%	27%	20%	17%
Chipotle	3%	11%	6%	8%
Jamba Juice	3%	2%	3%	11%
Panera	13%	15%	10%	6%

## We Know Where, But With Who & When?

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- Men (115 Index) are more likely than women (87) to eat alone at a fast food restaurant.
- Women are more likely to take their children aged below 12 to a fast food chain during lunch than any other meal time (126).
- Hispanic Americans are more likely than non-Hispanic Americans to go to a fast food chain with children during all meal times.
- Americans aged 18-24 are 3 times more likely than older Americans to snack at a fast food chain with friends/co-workers.

# Thank You!

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