

Industry Data Report

Marketing Spend – 2019

- Declining TV viewership (with ~20% of the U.S. population expected to drop access to pay TV by 2022) renders traditional TV ads less effective, driving a higher allocation towards more cost effective national campaigns which also supports an increasing dependency on national discount promotions.
- Increasing allocations towards relatively cheap forms of social media marketing and a decrease in McDonald's local ad requirement explains the decline in 2018 net marketing spend.
- It remains to be seen how this decline in total net marketing spend will affect industry traffic.

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

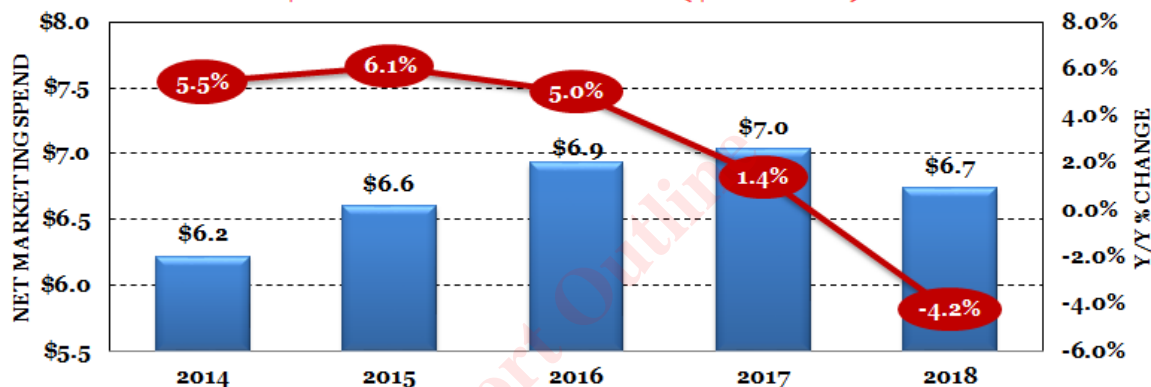


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Marketing Spend Overview by Chain

Chain	Creative Ad Agency	Year Hired	Social Media Followers (Dec. '18)			Marketing Spend Overview	Gross Store Level Marketing Contributions			2018 Net Marketing Spend (After Support/Admin. Costs)	
			Facebook	Twitter	Instagram		National/Brand Fee	Local/Co-op	Support/Admin.	Total Gross	% of Sales
➤ Casual											5 - 6
➤ Family											6 - 7
➤ Fast Casual											7
➤ Sandwich											7 - 9
➤ Pizza											10
➤ Sub-Sandwich											10 - 11
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Data in spreadsheet form available at <http://www.ChainRestaurantData.com>

Trends & Changes – Traditional Media

\$1B+ Chain Marketing Fee Requirements as a % of Sales

Year	National / Brand Fund	Local/ Co-op	Support/ Admin.	Total Gross	Total Marketing Admin ⁽¹⁾	Net Marketing Spend
2018						
2017						
2016						
2015						
2014						

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

Changes to Marketing Contributions

Chain	Effective Date	National	Local/Co-op	Net Budget Impact	Incremental 2018 Franchisor Contributions

Creative Ad Agency Changes

Chain	Date	New Agency	Old Agency

Trends & Changes – Social Media

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



\$1B+ Chains 2018 y/y Follower Growth

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

\$1B+ Chains Social Media Followers
Ranked by Change in Facebook Followers (Dec. '18/Dec. '17)

Chain	Social Media Followers (Dec. '18)			Social Media Followers Y/Y % Change (Dec. '18/Dec. '17)		
	Twitter	Instagram	Facebook	Twitter	Instagram	Facebook
Red Robin						
Red Lobster						
T.G.I. Friday's						
LongHorn						
Outback						
Applebee's						
BJ's Restaurants						
Chili's Grill & Bar						
Cheesecake Factory						
Texas Roadhouse						
Olive Garden						
Buffalo Wild Wings						
Casual						
Perkins						
Golden Corral						
Denny's						
IHOP						
Cracker Barrel						
Bob Evans						
Family						
Moe's Southwest Grill						
Qdoba						
Corner Bakery Café						
Chipotle						
Panera Bread						
Fast Casual						
Chick-fil-A						
Five Guys						
McDonald's						
Sonic Drive-In						
Hardee's						
Arby's						
Dairy Queen						
Burger King						
Whataburger						
Culver's						
Carl's Jr.						
Jack in the Box						
Checkers/ Rally's						
Zaxby's						
Taco Bell						
Wendy's						
Sandwich						
Domino's						
Papa John's						
Little Caesars						
Pizza Hut						
Pizza						
Jersey Mike's						
Jimmy John's						
Firehouse Subs						
Subway						
Sub-Sandwich						
Krispy Kreme						
Tim Horton's						
Dunkin Donuts						
Starbucks						
Coffee/Bakery						
KFC						
Church's						
Popeyes						
Bojangles'						
Chicken						
Total						

**\$1B+ Chain Marketing Summary
(Ranked by Estimated 2018 U.S. Net Marketing Spend)**

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Report Outline

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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 Grill & Bar	Church's	Denny's	Domino's
Hardee's	IHOP	Jack in the Box	KFC
McDonald's	Panera Bread	Papa John's	Pizza Hut
Popeyes	Sonic Drive-In	Subway	Taco Bell
TGI Friday's	Wendy's	Quarterly Concept Updates*	

Industry Benchmarking (49 Chains)

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

* Only available as part of subscription.

FDD/UFOC library for 37 Chains

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