INSIDE THE 2019 QSR DRIVE-THRU STUDY

The 19th Annual Benchmark Study highlights the drive-thru performances of some of the largest quick-service restaurants (QSRs) in the industry.

Essential Study Questions To Consider:

✿ How much are inaccurate orders costing you?

✿ Where are drive-thru service times headed?

✿ Which investments are right for your brand?

✿ Who's on top in accuracy, speed, taste and service?

Curious about how to grow your market share with the QSR Drive-Thru Study data?
Contact SeeLevel HX CSO Ken Lundin at ken.lundin@seelevelhx.com.
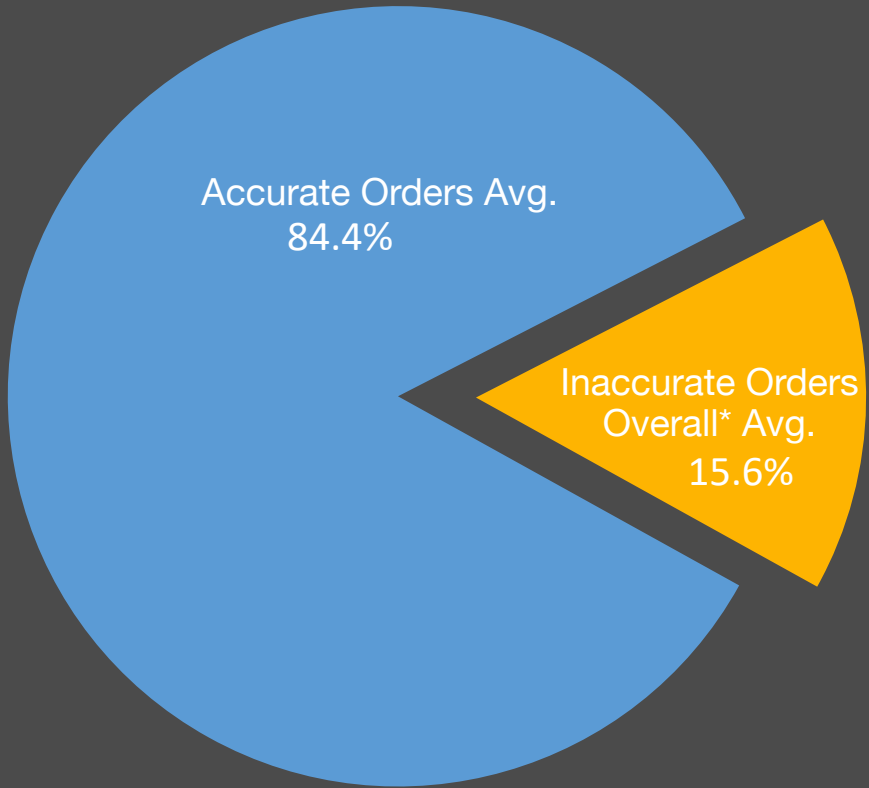
BRANDS MEASURED

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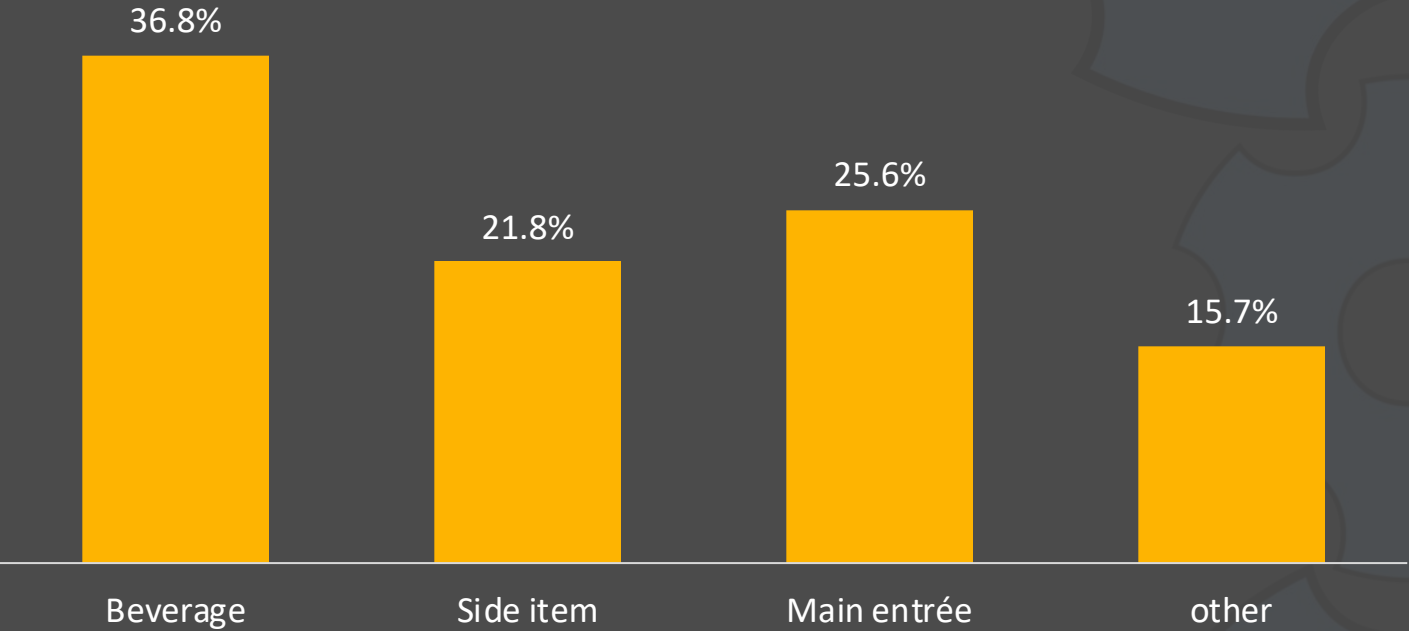*All logos are owned by their respective entities.*

STUDY RESULTS

OUT OF SYNC – ACCURACY... AND PROCESS?

Where are the gaps in your kitchen?

Accurate Orders Avg.
84.4%

Inaccurate Orders
Overall* Avg.
15.6%

Order Item Wrong of the Overall Order Inaccuracy

36.8%
21.8%
25.6%
15.7%

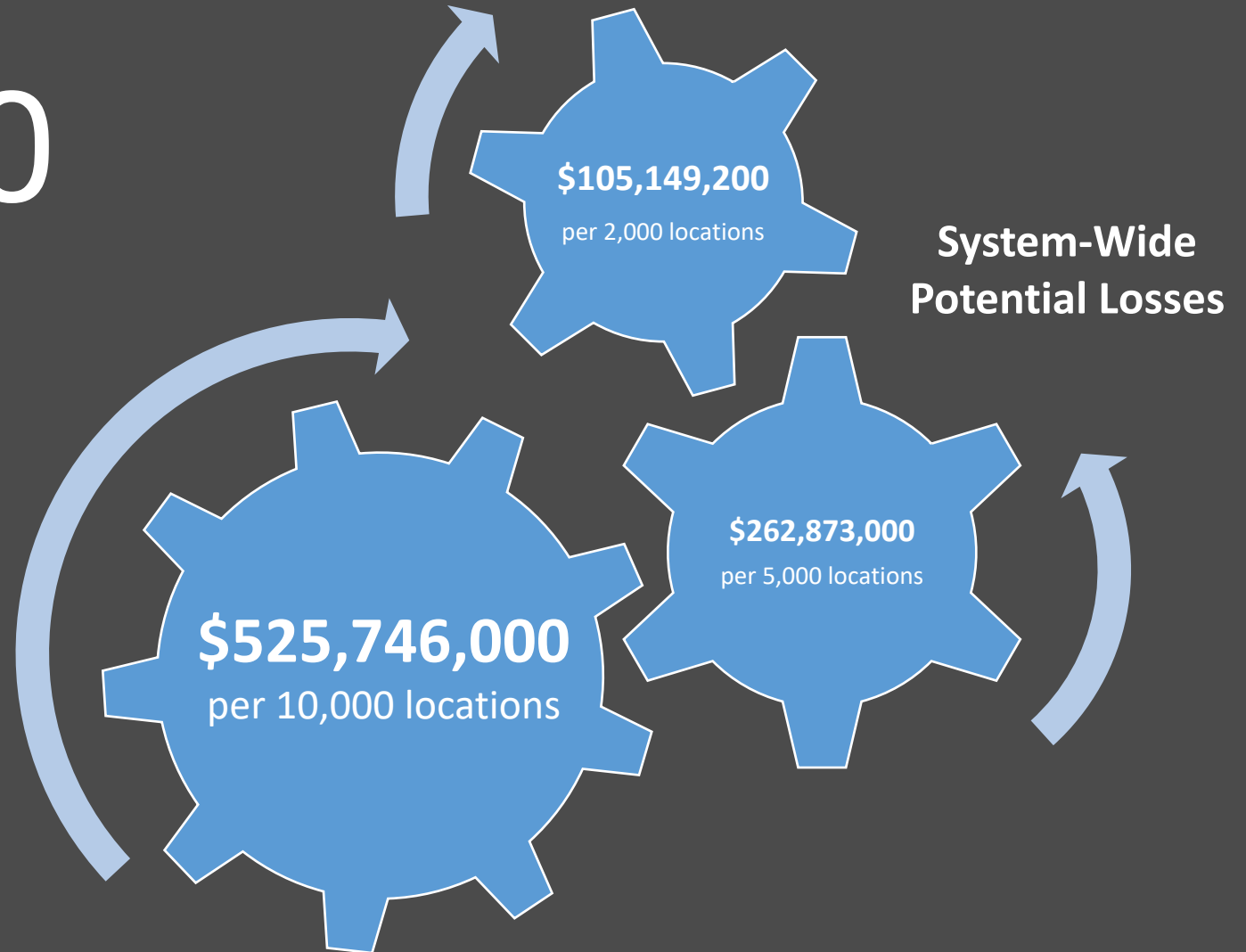Beverage   Side item   Main entrée   other

n=234
*Based on Total Sample (n=1,503)

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INACCURATE ORDERS – COSTING YOU MONEY

$52,574.60
Potential loss per store annually

$105,149,200
per 2,000 locations

System-Wide Potential Losses

$262,873,000
per 5,000 locations

$525,746,000
per 10,000 locations

Service Time for accurate orders
250.8 seconds
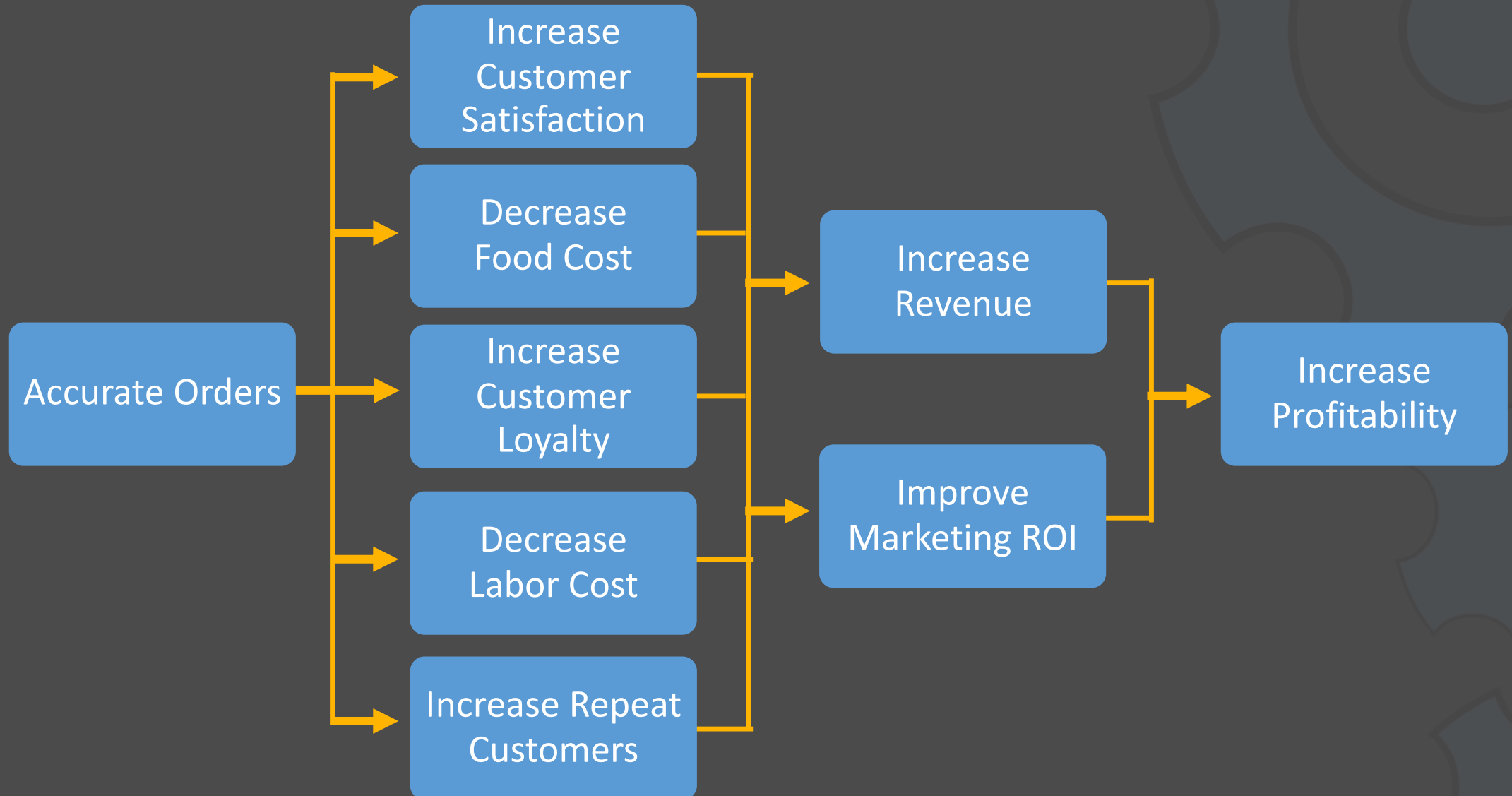
Service Time for inaccurate orders
280.2 seconds

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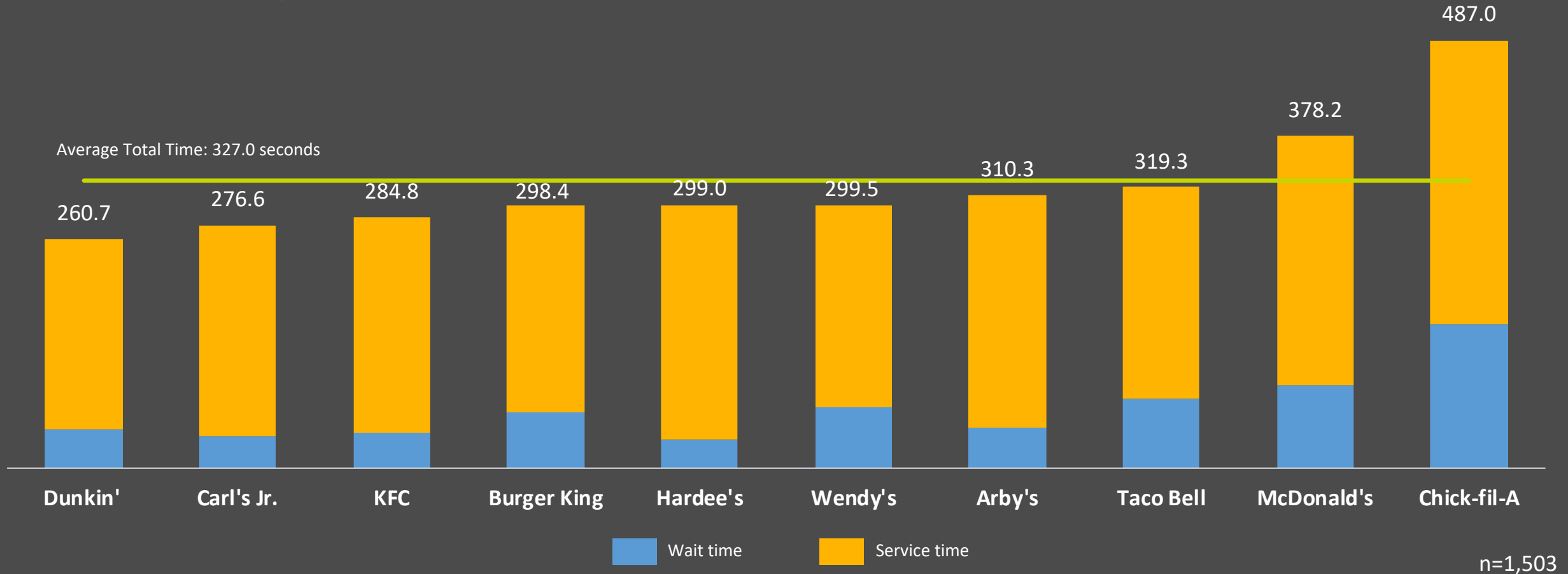
n=1,503

* For illustration purposes only. Makes a stop/start assumption.

ORDER ACCURACY CONSIDERATIONS

```
                          ┌──────────────┐
                     ┌───►│   Increase   │────┐
                     │    │   Customer   │    │
                     │    │ Satisfaction │    │
                     │    └──────────────┘    │
                     │    ┌──────────────┐    │
                     ├───►│   Decrease   │────┤
                     │    │  Food Cost   │    │    ┌──────────┐
                     │    └──────────────┘    ├───►│ Increase │──┐
 ┌──────────────┐    │    ┌──────────────┐    │    │ Revenue  │  │   ┌───────────────┐
 │    Accurate  │────┼───►│   Increase   │────┤    └──────────┘  ├──►│   Increase    │
 │    Orders    │    │    │   Customer   │    │                  │   │ Profitability │
 └──────────────┘    │    │   Loyalty    │    │    ┌──────────┐  │   └───────────────┘
                     │    └──────────────┘    ├───►│ Improve  │──┘
                     │    ┌──────────────┐    │    │Marketing │
                     ├───►│   Decrease   │────┤    │   ROI    │
                     │    │  Labor Cost  │    │    └──────────┘
                     │    └──────────────┘    │
                     │    ┌──────────────┐    │
                     └───►│Increase Repeat│───┘
                          │  Customers   │
                          └──────────────┘
```

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DIALING IN ON SPEED

Total times by brand (wait* + service**)

487.0

378.2

Average Total Time: 327.0 seconds

310.3

319.3

260.7

276.6

284.8

298.4

299.0

299.5

| Dunkin' | Carl's Jr. | KFC | Burger King | Hardee's | Wendy's | Arby's | Taco Bell | McDonald's | Chick-fil-A |

Wait time   Service time

n=1,503

*Wait time is the time from when the evaluator entered the line to when they ordered.

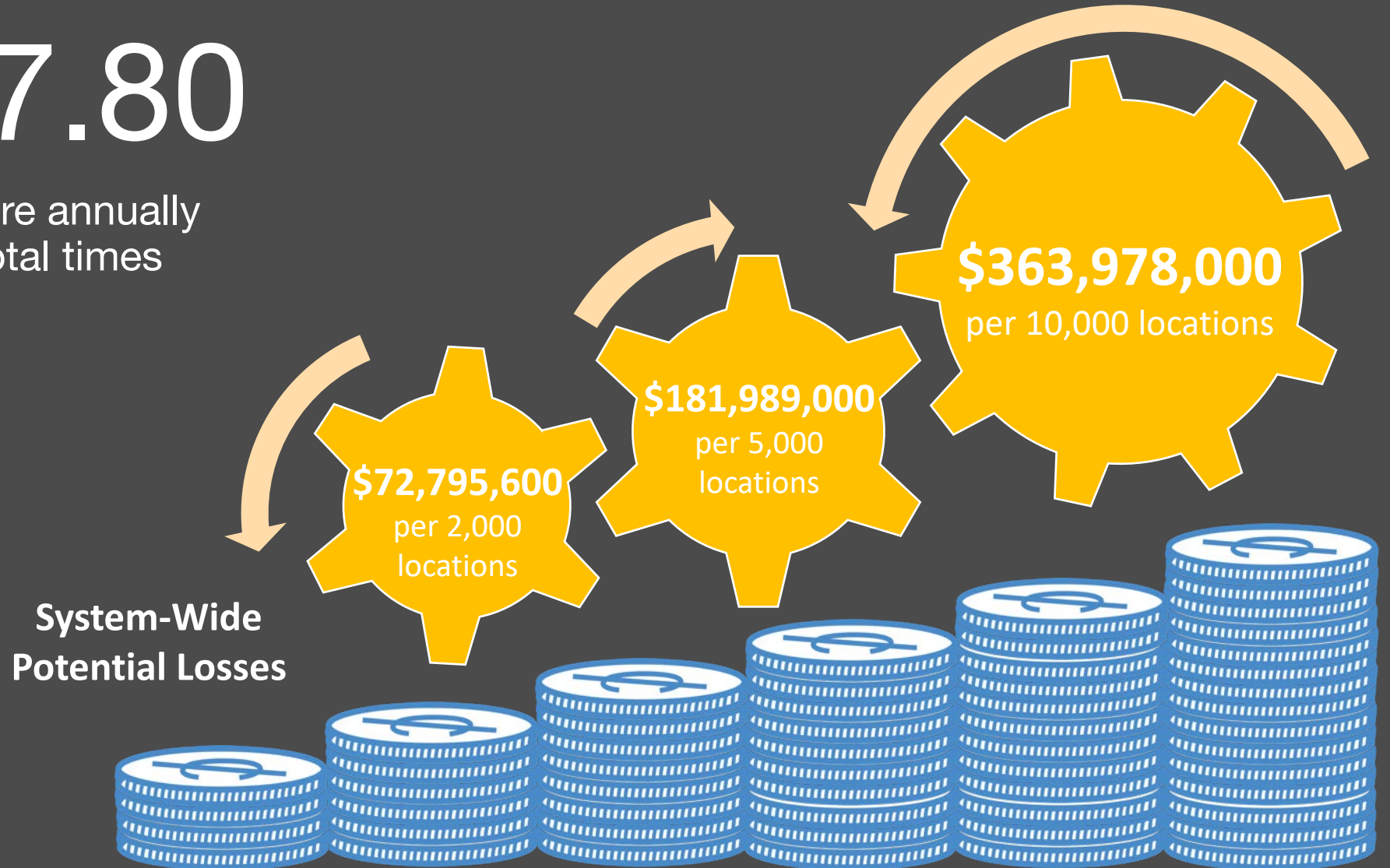**Service time is the time from when the order is placed to when the order is received.

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MOVING THROUGH THE *GEARS;* WHERE IS THE TIME GOING? (cont.)

A look into total times over the past four years.
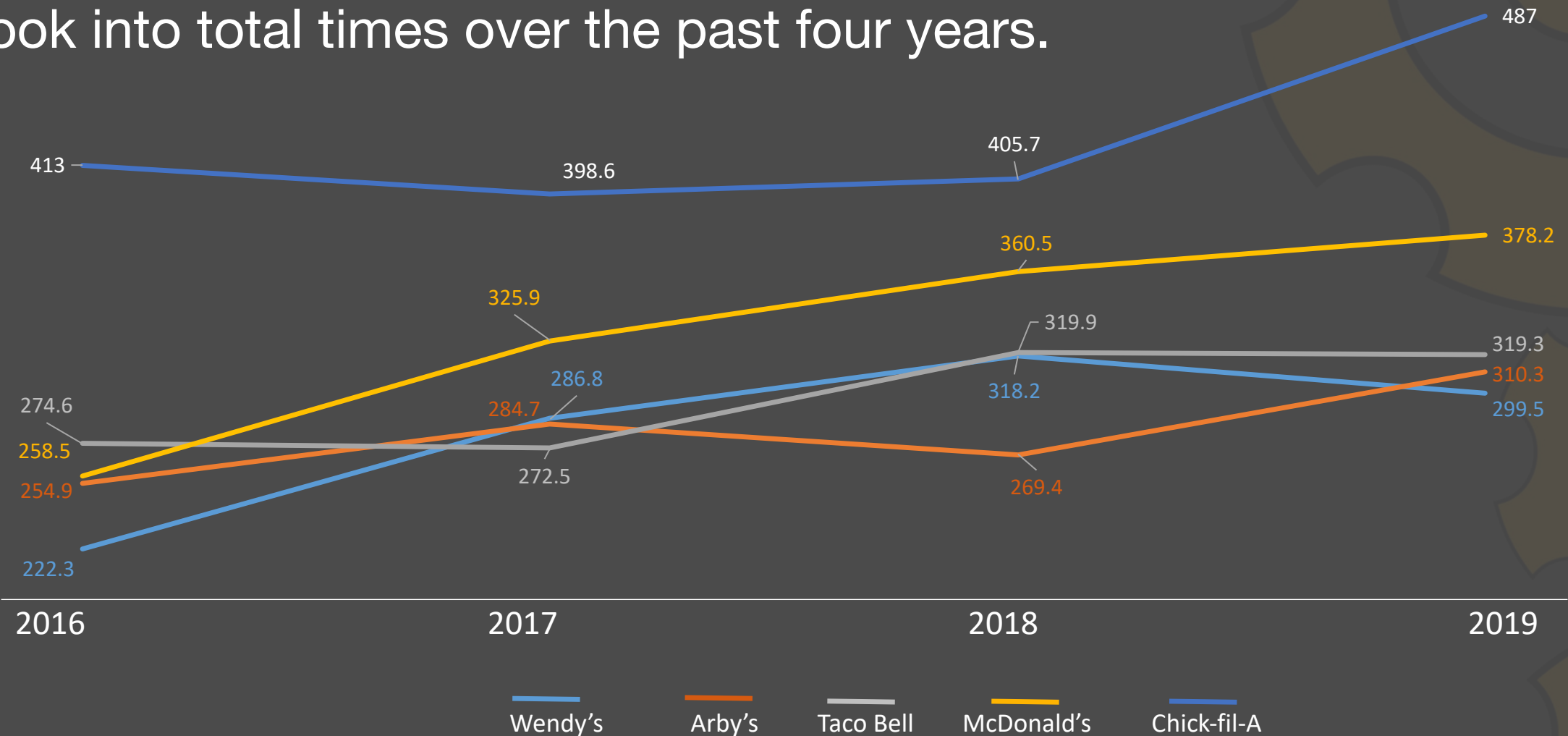
487

413 398.6 405.7

378.2

360.5

325.9

319.9 319.3

286.8 318.2

284.7 310.3

274.6 299.5

258.5 272.5

254.9 269.4

222.3

2016   2017   2018   2019

— Wendy's — Arby's — Taco Bell — McDonald's — Chick-fil-A

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TIME REALLY IS MONEY...

$36,397.80

Potential loss per store annually
due to increased total times

$363,978,000
per 10,000 locations

$181,989,000
per 5,000
locations

$72,795,600
per 2,000
locations

**System-Wide
Potential Losses**

*As compared to 2018

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WHERE ARE YOU LOSING MONEY?

These are the places your QSR could be losing money; it's up to you to decide which areas you want to kick into high gear.
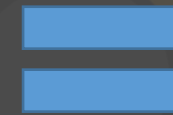
$52,574.60

Potential loss per store annually due to inaccurate orders

$+$

$ 36,397.80

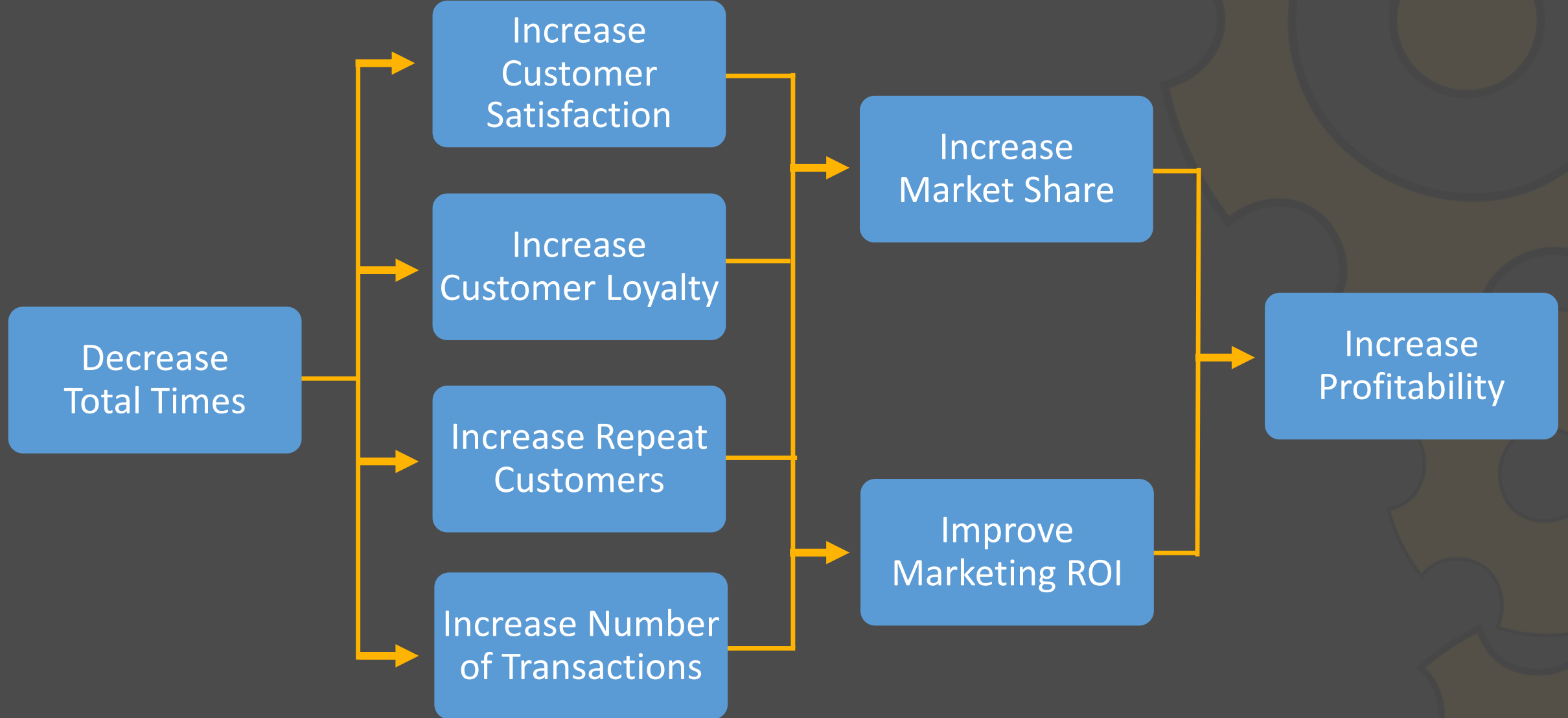Potential loss per store annually due to increased total times

$=$

$88,972.40

Potential losses per store combined
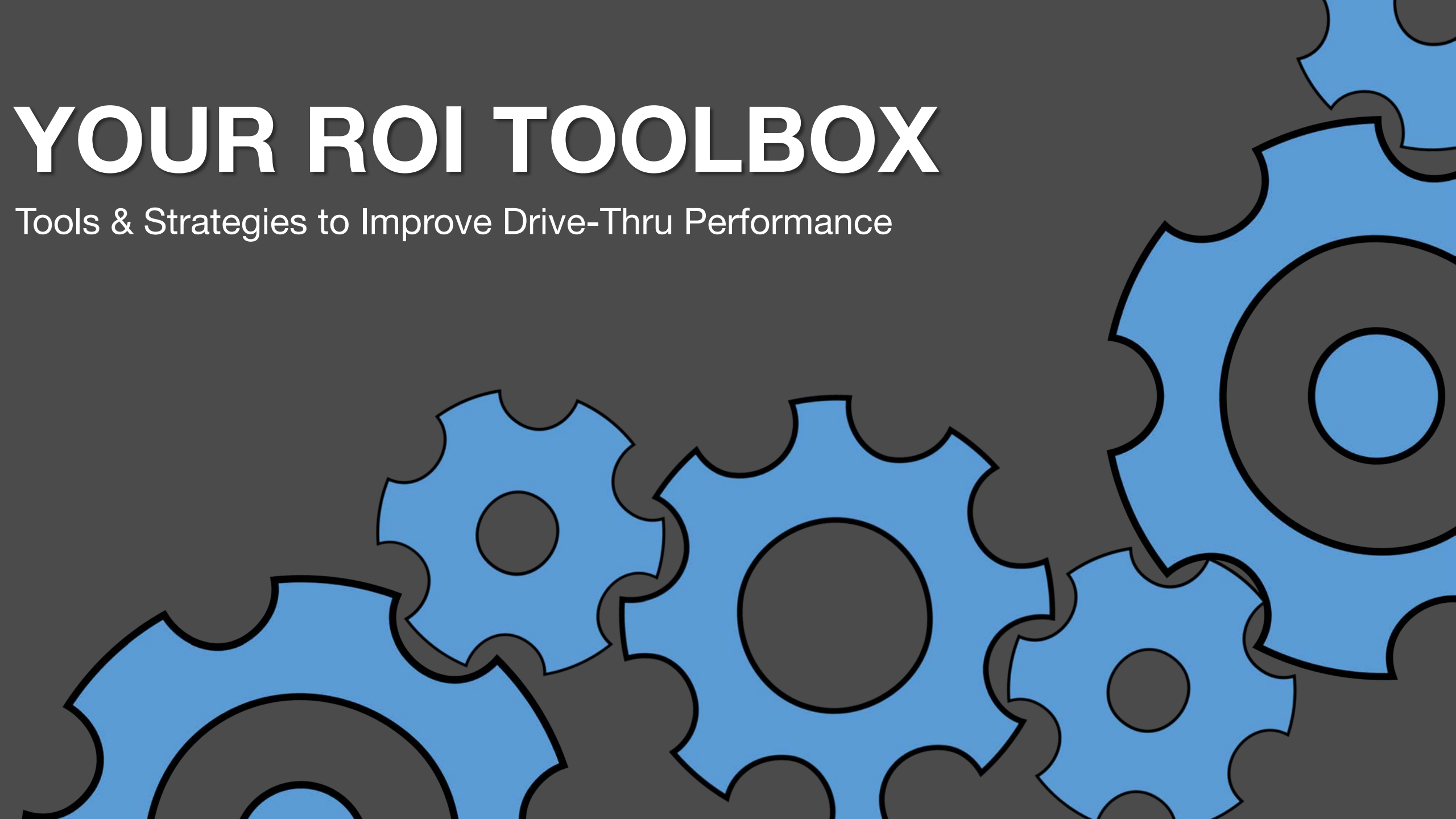
*As compared to 2018

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DRIVE-THRU TIME CONSIDERATIONS

```
                    ┌──────────────────┐
                 ┌─▶│     Increase     │──────┐
                 │  │    Customer      │      │
                 │  │   Satisfaction   │      │
                 │  └──────────────────┘      │      ┌──────────────────┐
                 │                            ├─────▶│     Increase     │──────┐
                 │  ┌──────────────────┐      │      │   Market Share   │      │
                 ├─▶│     Increase     │──────┘      └──────────────────┘      │
                 │  │  Customer Loyalty│                                       │
┌───────────┐    │  └──────────────────┘                                      │    ┌──────────────┐
│ Decrease  │    │                                                            ├───▶│   Increase   │
│Total Times│────┤  ┌──────────────────┐                                      │    │Profitability │
└───────────┘    ├─▶│  Increase Repeat │──────┐                               │    └──────────────┘
                 │  │    Customers     │      │                               │
                 │  └──────────────────┘      │      ┌──────────────────┐      │
                 │                            ├─────▶│     Improve      │──────┘
                 │  ┌──────────────────┐      │      │  Marketing ROI   │
                 └─▶│ Increase Number  │──────┘      └──────────────────┘
                    │ of Transactions  │
                    └──────────────────┘
```
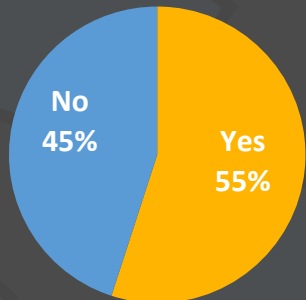
YOUR ROI TOOLBOX

Tools & Strategies to Improve Drive-Thru Performance

WHEN TO USE THE PRE-SELL MENUBOARD

$ 14,059.80

Potential loss per store annually
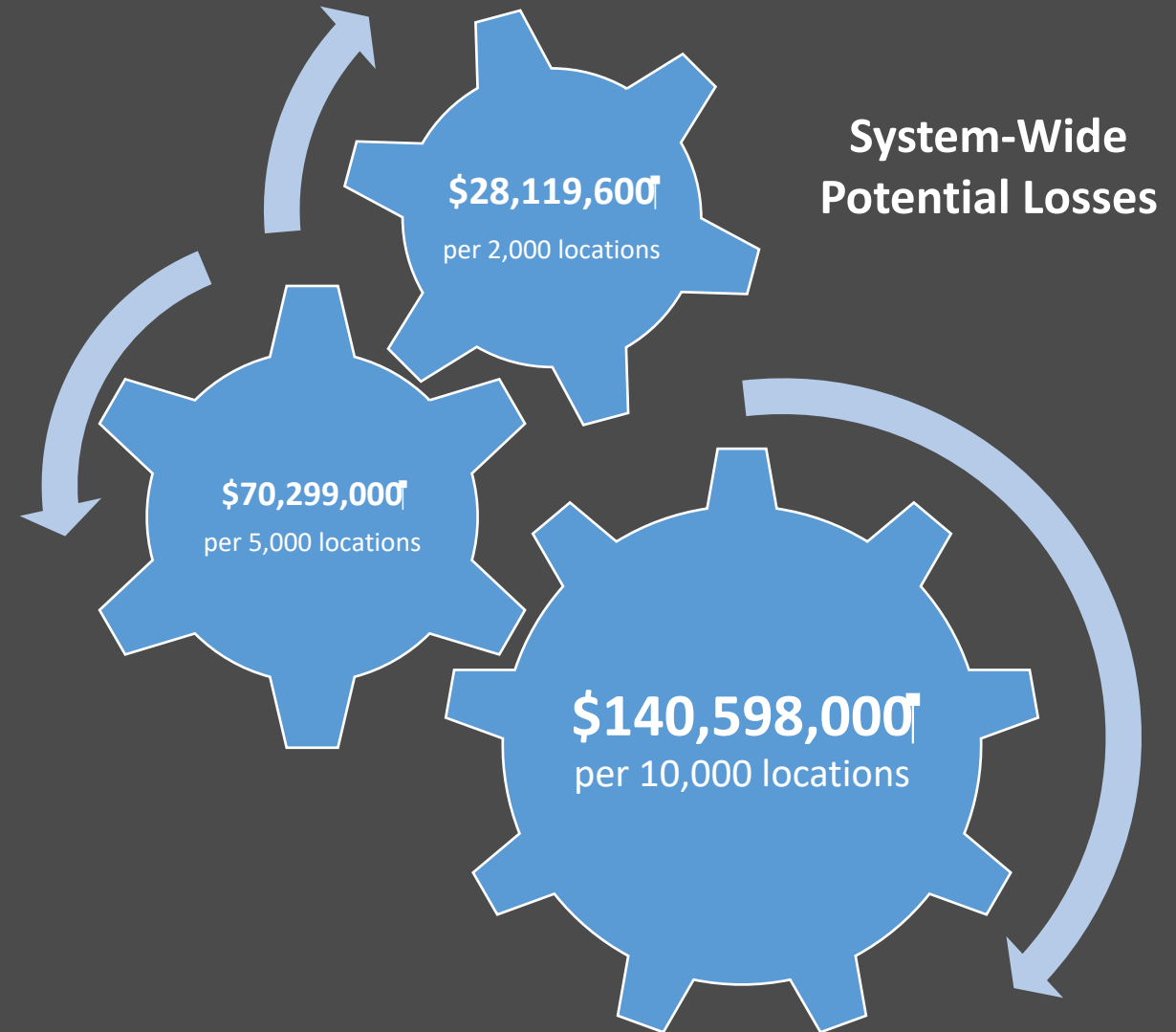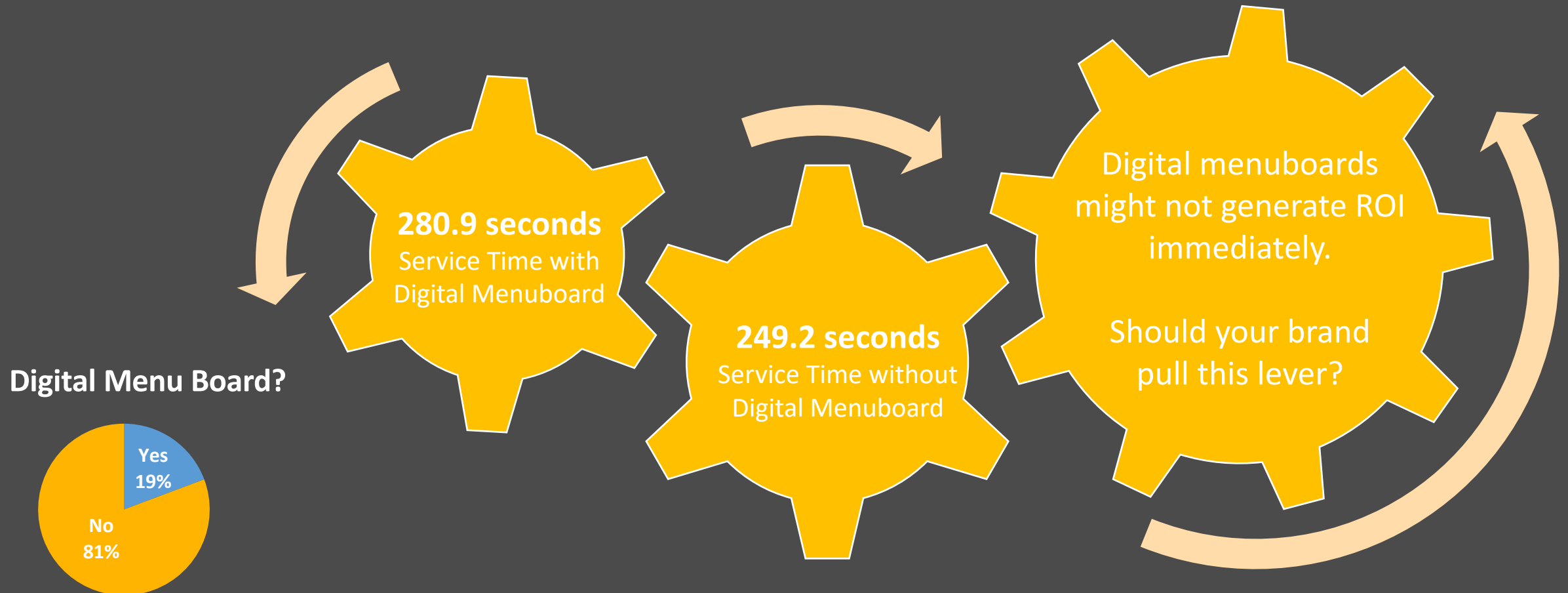without a pre-sell menuboard in place

System-Wide Potential Losses

$28,119,600
per 2,000 locations

$70,299,000
per 5,000 locations

$140,598,000
per 10,000 locations

Pre-Sell Menuboard in Place?

No
45%

Yes
55%

Total Time with pre-sell menuboard
321.6 seconds

Total Time without pre-sell menuboard
333.6 seconds

n=1,503

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* For illustration purposes only. Makes a stop/start assumption.

DON'T PULL LEVERS IN THE DARK

Digital menuboards alone do not appear to be a full solution to improving service times and throughput.

280.9 seconds
Service Time with Digital Menuboard

249.2 seconds
Service Time without Digital Menuboard

Digital menuboards might not generate ROI immediately.

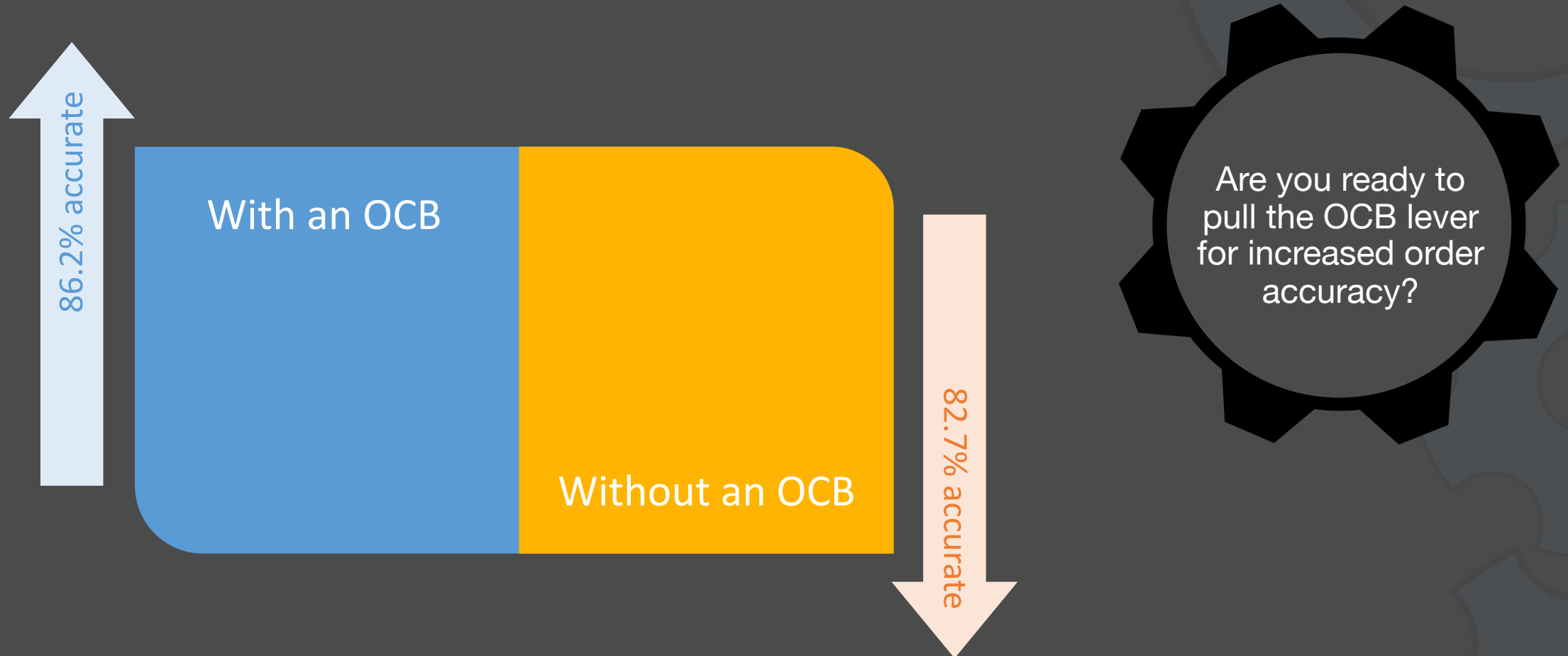Should your brand pull this lever?

Digital Menu Board?

Yes 19%

No 81%

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n=1,503

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DIGGING DEEPER INTO DIGITAL MENUBOARDS

While digital menuboards contributed to slower service times in 2019, the did improve order accuracy rates by 3.9%.

87.6% accurate

With Digital Menuboards

Without Digital Menuboards

83.7% accurate
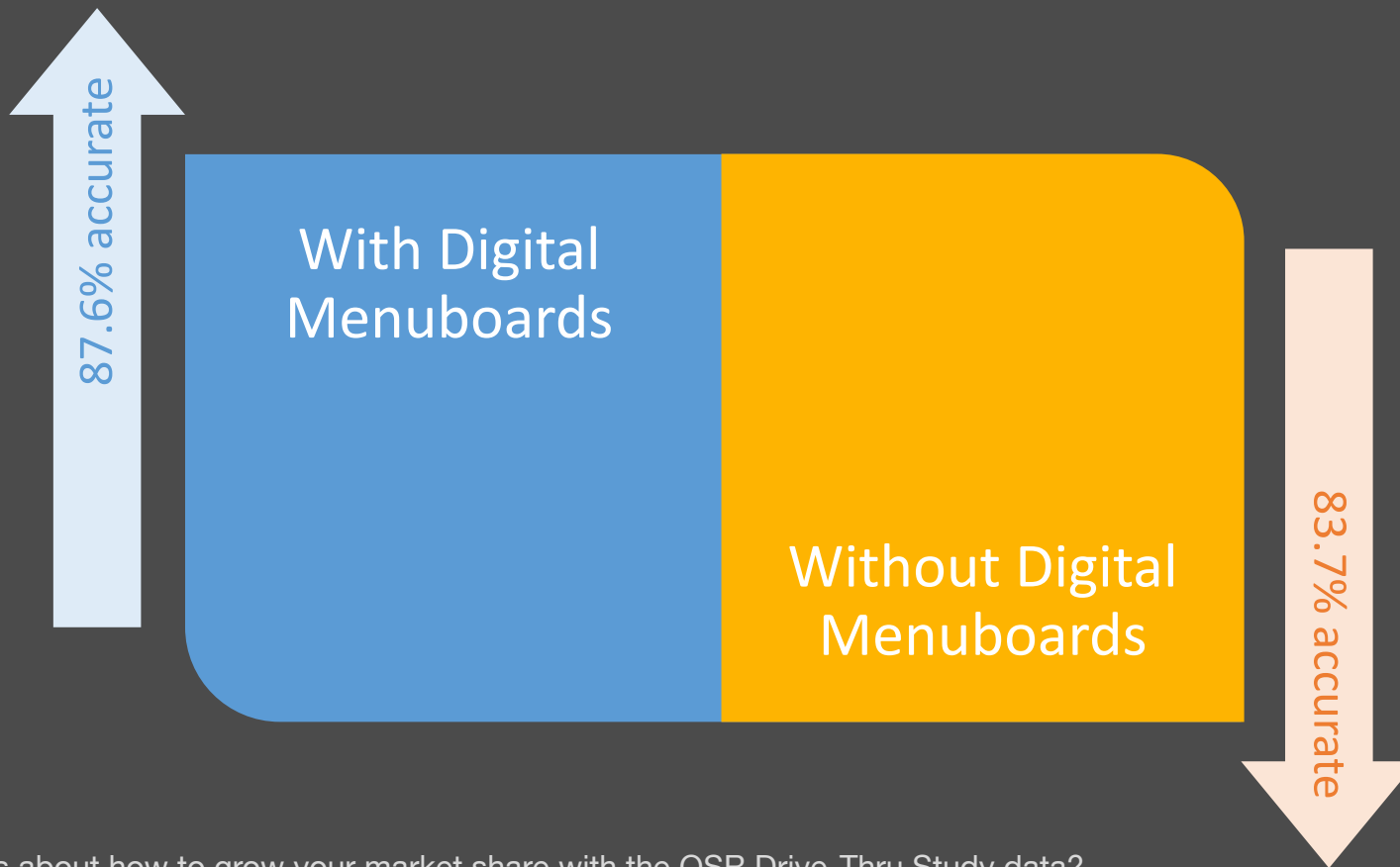
You can't be everything to everyone.

What tools will help your brand meet customers' expectations?

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IS THE OCB INVESTMENT WORTH IT?

$14,085.35

Potential loss per store annually without an OCB in place

System-Wide Potential Losses

$28,170,000
per 2,000 locations

$70,426,750
per 5,000 locations

$140,853,500
per 10,000 locations

Order Confirmation Board?

No 51%

Yes 49%
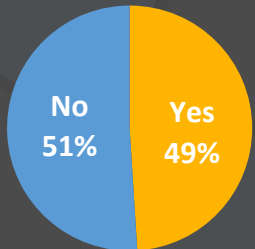
Service Time with OCB in place
251.6 seconds

Service Time without OCB in place
258.9 seconds
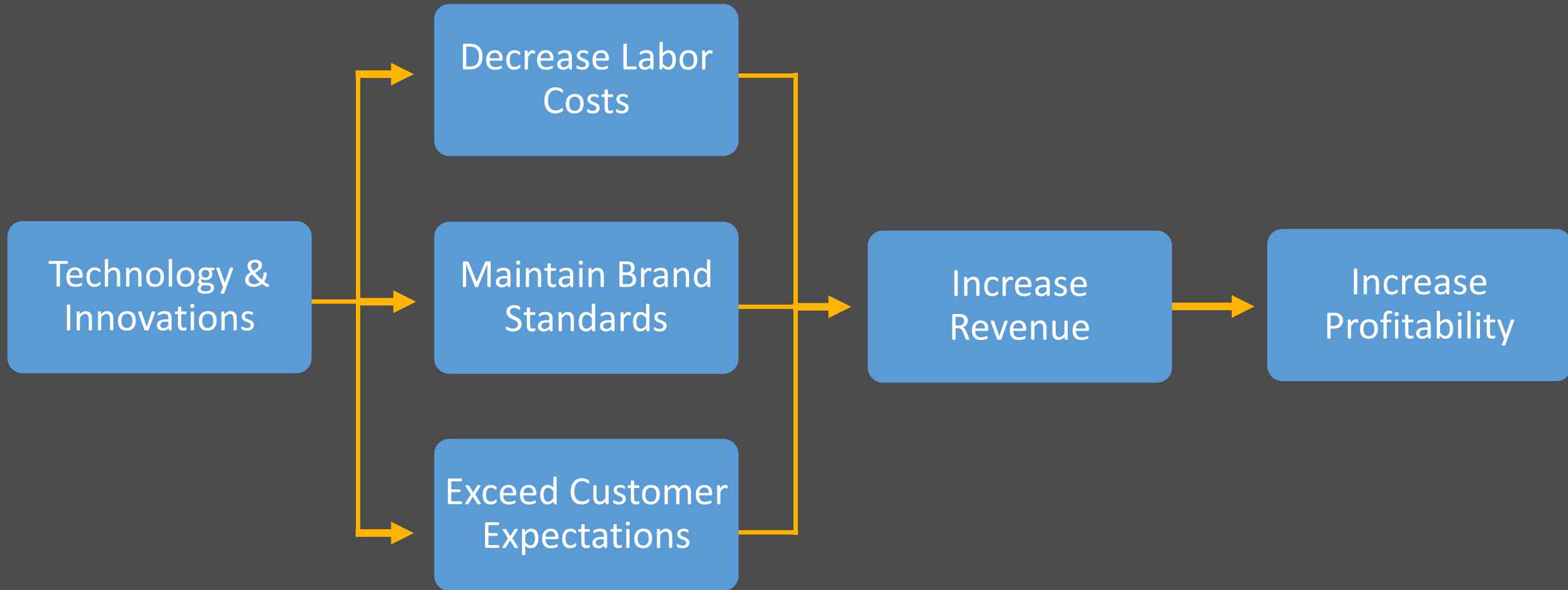
Curious about how to grow your market share with the QSR Drive-Thru Study data?
Contact SeeLevel HX CSO Ken Lundin at ken.lundin@seelevelhx.com.

n=733

* For illustration purposes only. Makes a stop/start assumption.

ON TO SECOND GEAR – OCB & ACCURACY

In addition to speeding up service times, order confirmation boards contributed to increased order accuracy by 3.5%.

86.2% accurate

With an OCB

Without an OCB

82.7% accurate

Are you ready to pull the OCB lever for increased order accuracy?

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THE SUGGESTIVE SELL IMPROVES SPEED

$12,264.00

Potential loss per store annually without a suggestive sell

System-Wide Potential Losses

$24,528,000
per 2,000 locations

$61,320,000
per 5,000 locations

$122,640,000
per 10,000 locations

Suggestive Sell Offered?

- Yes 31%
- No 69%
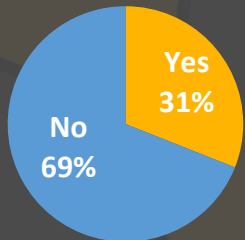
Service Time with Suggestive Sell
251.0 seconds

Service Time without Suggestive Sell
257.3 seconds
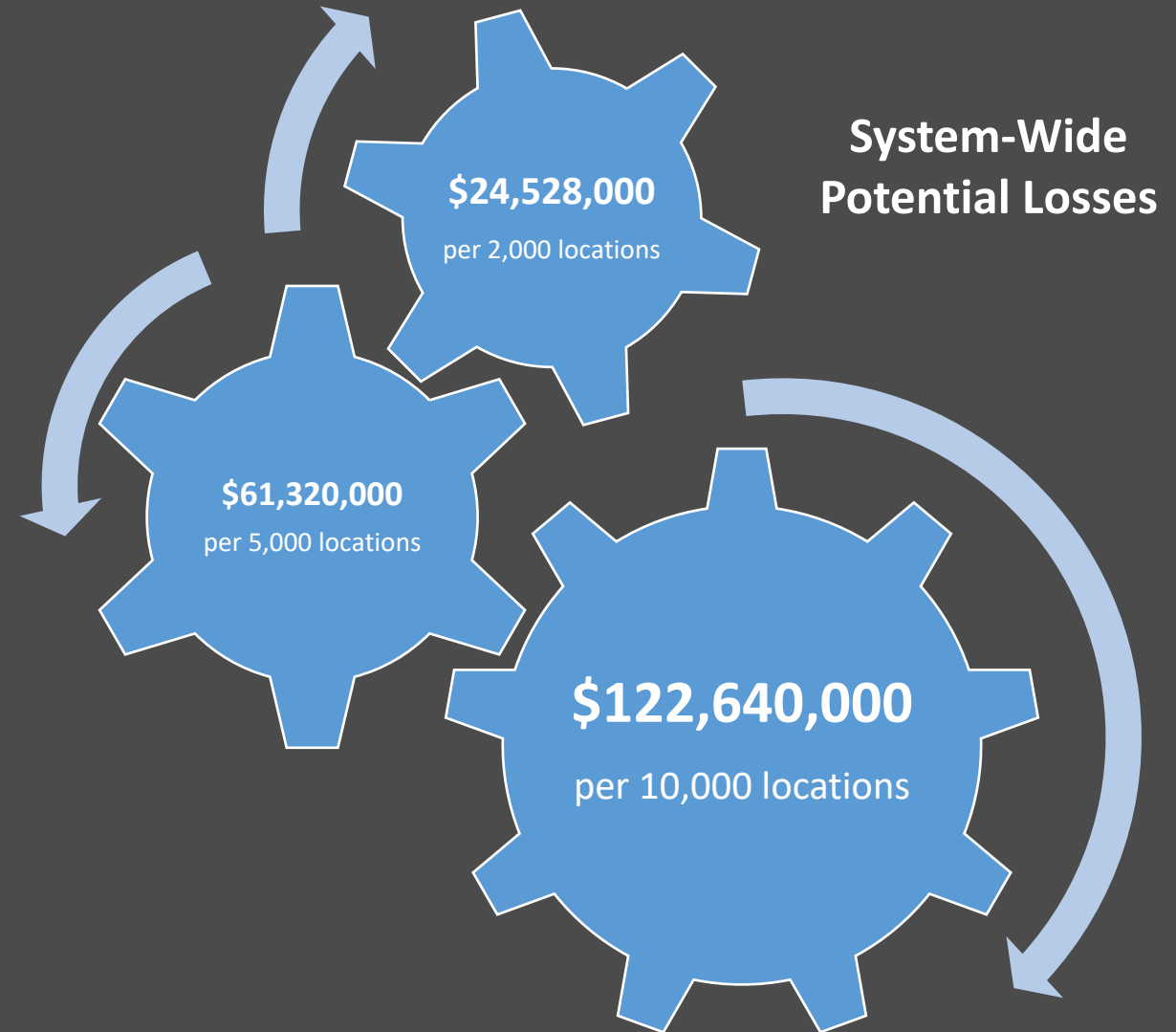
Curious about how to grow your market share with the QSR Drive-Thru Study data? Contact SeeLevel HX CSO Ken Lundin at ken.lundin@seelevelhx.com.

n=1,507

* For illustration purposes only. Makes a stop/start assumption and that all gained transactions would be a successful suggestive sell.
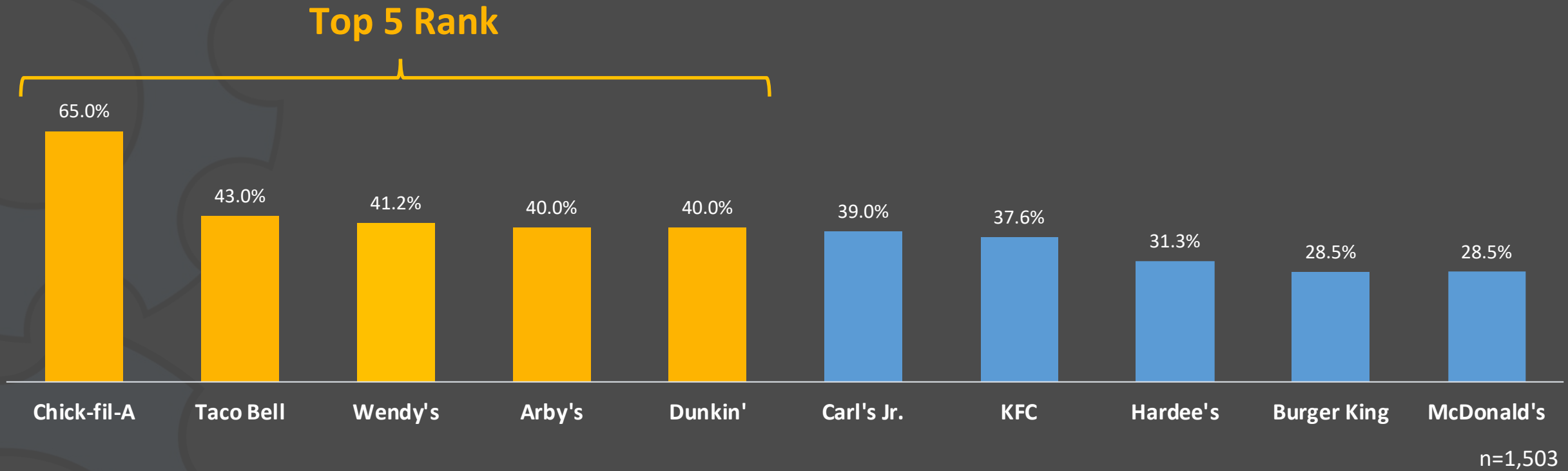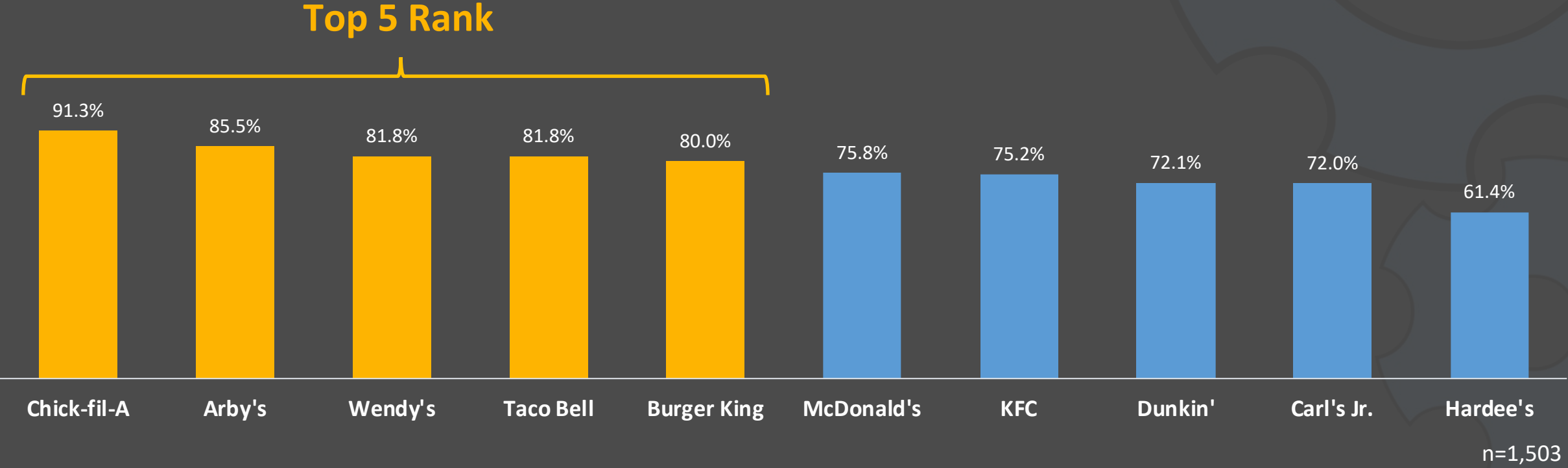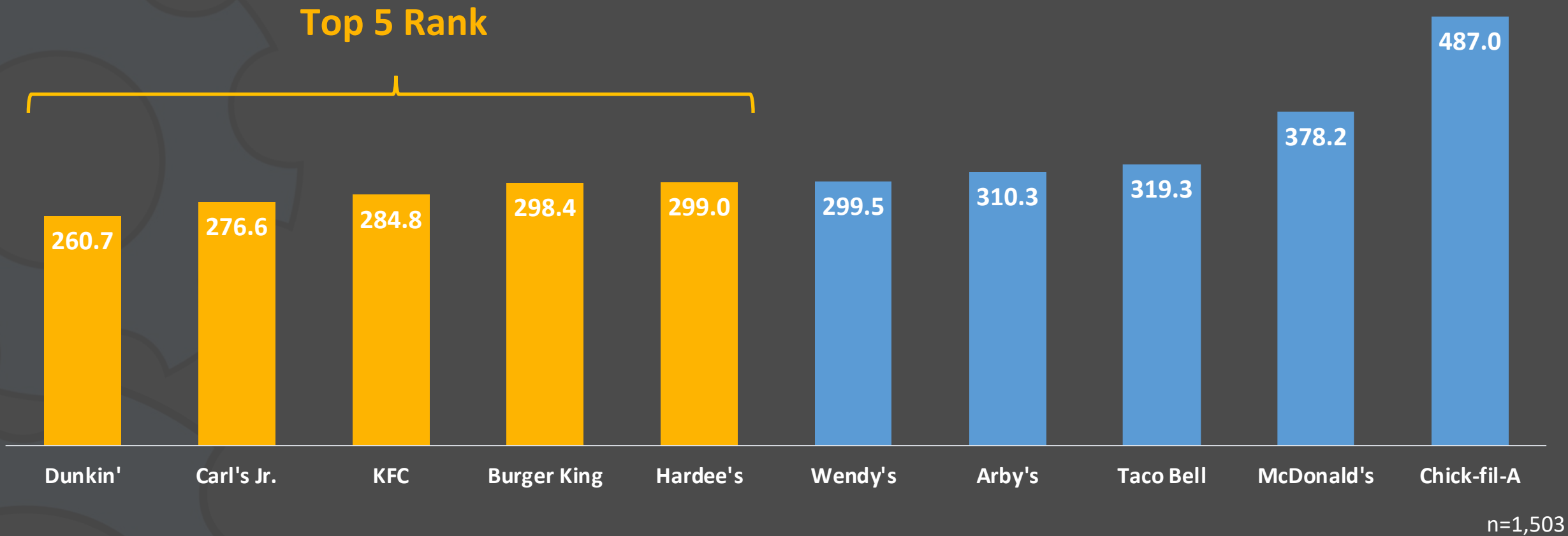
INNOVATION & STRATEGY CONSIDERATIONS

```
                    ┌──────────────────┐
                ┌──▶│  Decrease Labor  │───┐
                │   │      Costs       │   │
                │   └──────────────────┘   │
┌──────────────┐│   ┌──────────────────┐   │   ┌──────────────┐     ┌──────────────┐
│ Technology & ││──▶│  Maintain Brand  │───┼──▶│   Increase   │───▶│   Increase   │
│ Innovations  ││   │    Standards     │   │   │   Revenue    │     │ Profitability│
└──────────────┘│   └──────────────────┘   │   └──────────────┘     └──────────────┘
                │   ┌──────────────────┐   │
                └──▶│ Exceed Customer  │───┘
                    │   Expectations   │
                    └──────────────────┘
```

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CATEGORY LEADERS

2019 LEADERS IN ACCURACY*

Top 5 Rank

94.0%	90.3%	87.3%	86.1%	84.8%	84.2%	84.1%	83.6%	80.7%	66.1%
Chick-fil-A	Burger King	Wendy's	Arby's	McDonald's	Dunkin'	Carl's Jr.	Taco Bell	Hardee's	KFC

n=1,503
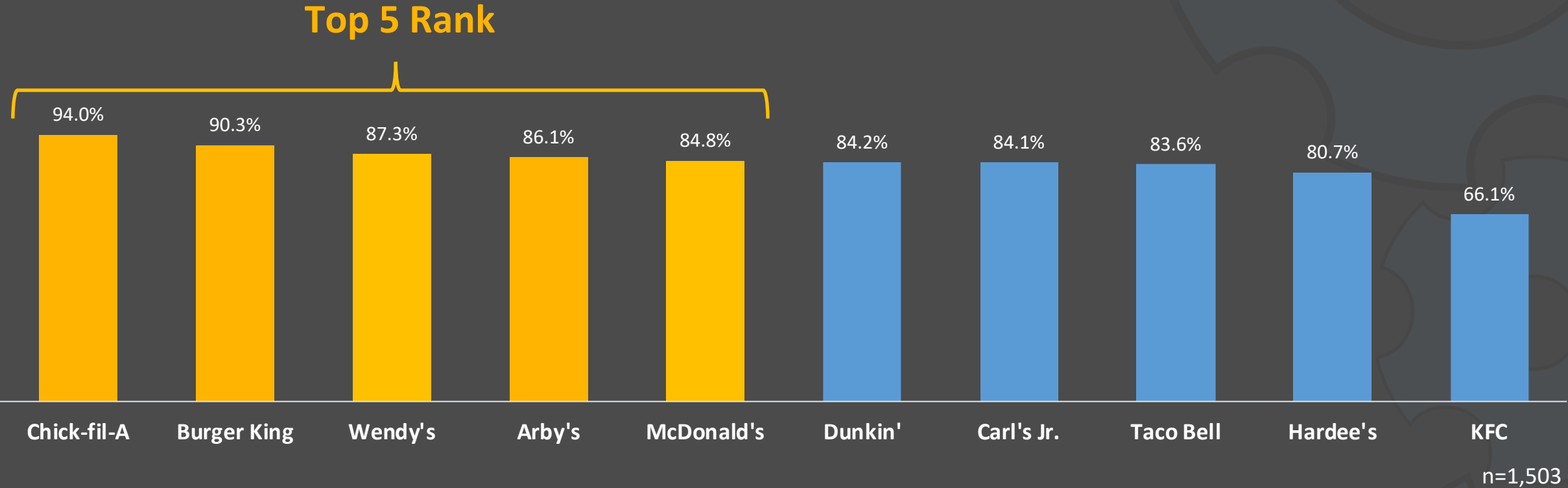
*Yes, Order Accurate

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2019 LEADERS IN TASTE*

Top 5 Rank

	Chick-fil-A	Arby's	Wendy's	Taco Bell	Burger King	McDonald's	KFC	Dunkin'	Carl's Jr.	Hardee's
	91.3%	85.5%	81.8%	81.8%	80.0%	75.8%	75.2%	72.1%	72.0%	61.4%

n=1,503

*Taste of Main Item =5 on 1-5 scale (5=Loved the Taste)
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2019 LEADERS IN TOTAL SPEED OF SERVICE*

Top 5 Rank

260.7	276.6	284.8	298.4	299.0	299.5	310.3	319.3	378.2	487.0
Dunkin'	Carl's Jr.	KFC	Burger King	Hardee's	Wendy's	Arby's	Taco Bell	McDonald's	Chick-fil-A

n=1,503

*Total Time
Curious about how to grow your market share with the QSR Drive-Thru Study data?
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CATEGORY COMPARISONS*

	Accuracy	Service	Taste	Speed
1	Chick-fil-A	Chick-fil-A	Chick-fil-A	DUNKIN'
2	BURGER KING	TACO BELL	Arby's	Carl's Jr. CHARBROILED BURGERS
3	Wendy's	Wendy's	Wendy's	KFC
4	Arby's	Arby's	TACO BELL	BURGER KING
5	McDonald's	DUNKIN'	BURGER KING	Hardee's

Chick-fil-A
Leader of the Study

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*Assuming all attributes have equal importance.
All logos are owned by their respective entities.*

SHIFTING POSITIONS OVER THE YEARS

	2016	2017	2018	2019
1	Chick-fil-A	Chick-fil-A	Arby's	Chick-fil-A
2	Arby's	McDonald's	Chick-fil-A	Wendy's
3	Taco Bell / Burger King	Taco Bell	Burger King	Arby's
4		Wendy's	Taco Bell / Dunkin' / Carl's Jr.	Burger King
5	McDonald's	Arby's		Dunkin'

*Based on the rankings of the participants also measured in the 2019 study

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KICKING INTO HIGH GEAR

Actionable Steps to Implement in Your QSR Drive-Thru

CUSTOMERS' VIEWS OF BRAND PRIORITIES

	Accuracy	Service	Taste	Speed
Chick-fil-A	■	■	■	
Wendy's	■	■	■	
Arby's			■	
Burger King	■			
Dunkin'				■
Taco Bell		■		
Carl's Jr.				■
KFC				■

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Do they see what you want them to see?

■ = Ranked in top 3

WHICH LEVER SHOULD YOU PULL FIRST?

SeeLevel HX helps brands determine which areas to focus on in order to drive a greater ROI by creating sustainable programs for QSR brands.

ACCURACY

SERVICE

TASTE

SPEED

Receive a free analysis of your mystery shopping data ($25,000 value).
Email SeeLevel HX CSO Ken Lundin for more information.

DRIVE REAL RESULTS

We are a leading mystery shopping company and the 19-year owner of the QSR Drive-Thru Study. We support QSRs' efforts to set and exceed customer expectations through actionable insights discovered from our mystery shopping solutions.

Mystery Shopping

Mobile App Processes

Social Media Monitoring

Third-Party Delivery

Customer Experience

Competitive Analysis

Learn how you can generate more ROI through mystery shopping.

ADDENDUM: METHODOLOGY

BACKGROUND

Shop Distribution
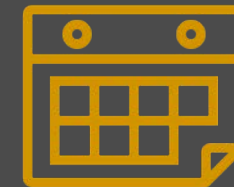
Breakfast 12%
Mid-Morning 5%
Dinner 21%
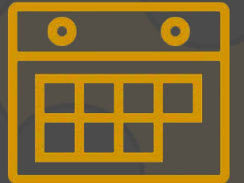Late Afternoon 7%
Lunch 56%
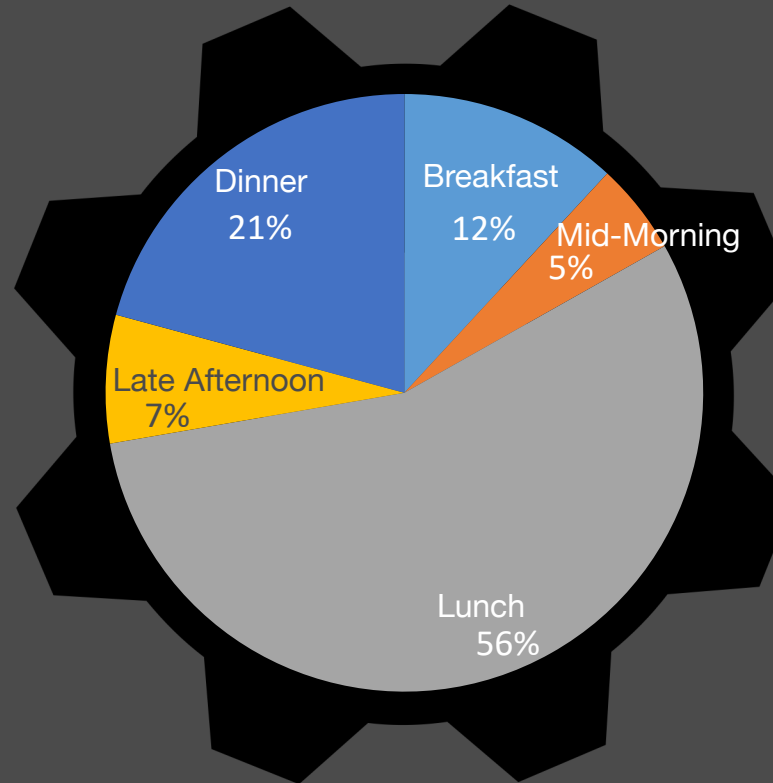
Attributes Measured

- ⚙ Wait Time
- ⚙ Service Time
- ⚙ Order Accuracy
- ⚙ Suggestive Sell
- ⚙ Exterior Appearance
- ⚙ Speaker Clarity
- ⚙ Menuboard Appearance
- ⚙ Order Confirmation Boards
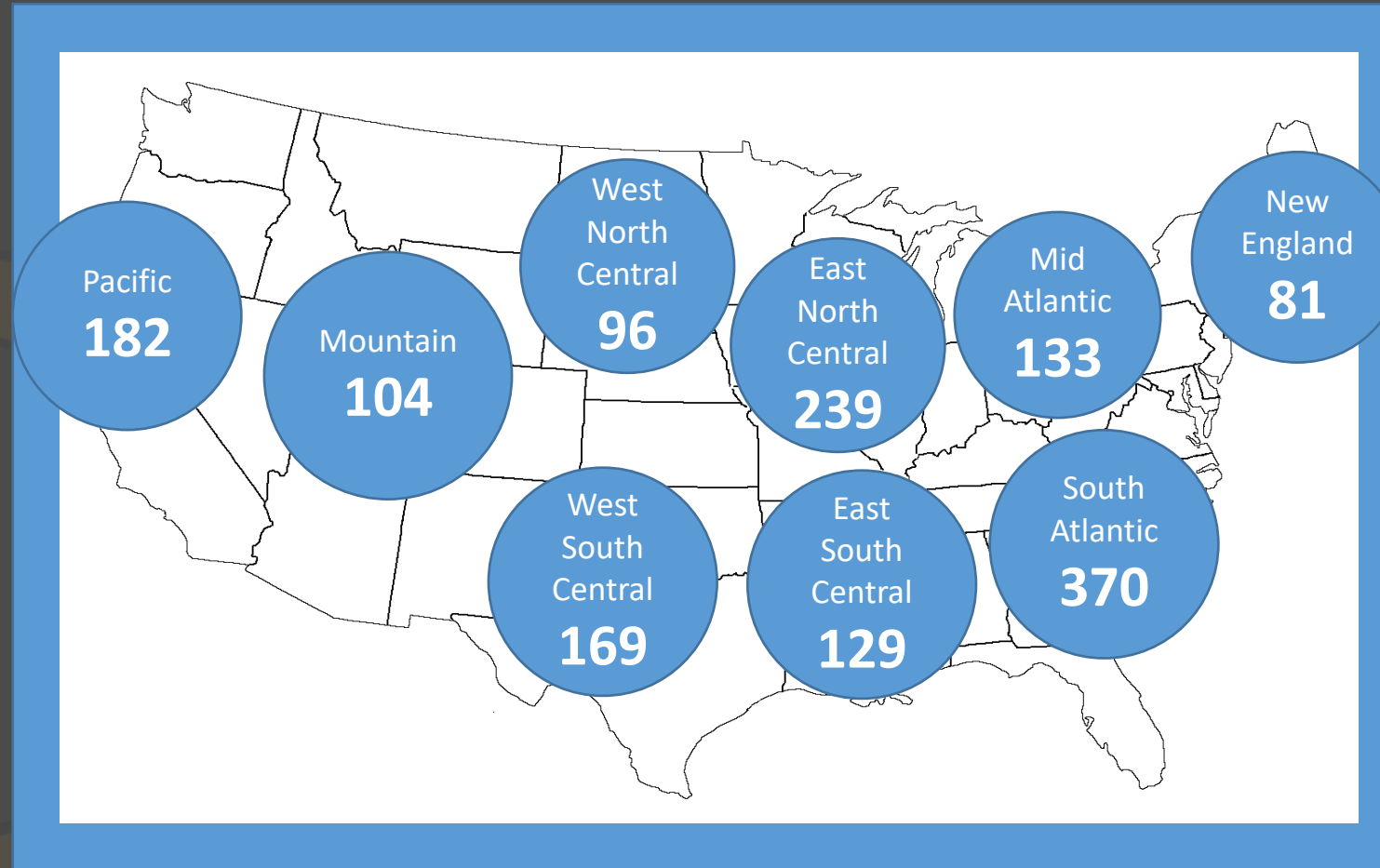
Fieldwork Period

June 2019   through   August 2019

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GEOGRAPHICAL DISTRIBUTION

1,503 Total Visits

Pacific 182
Mountain 104
West North Central 96
East North Central 239
Mid Atlantic 133
New England 81
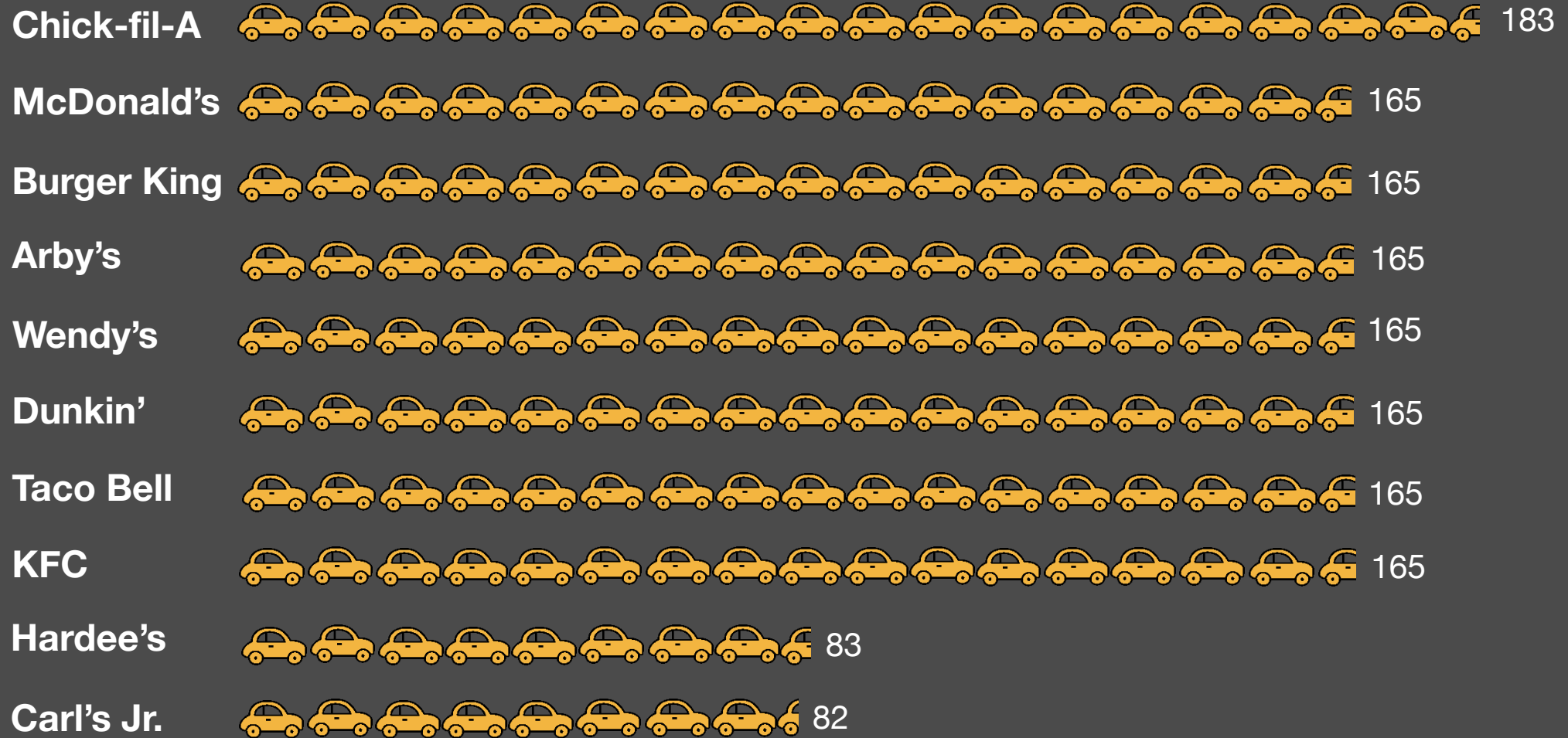West South Central 169
East South Central 129
South Atlantic 370

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EVALUATIONS BY BRAND

Chick-fil-A   183

McDonald's   165

Burger King   165

Arby's   165

Wendy's   165

Dunkin'   165

Taco Bell   165

KFC   165

Hardee's   83

Carl's Jr.   82

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1 🚗 = 10 visits   n=1,503   36

READY TO SHIFT GEARS
in Your Drive-Thru?

Contact Ken Lundin for more information.

See Level
Human Experience ℠

QSR