

QSR

InView
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Industry News/Trends

- ◆ A new study of QSR menus shows the chains have moved back to “value” or “dollar” menus after pulling back on them. McDonald’s brought back its value menu with items priced at \$1, \$2, or \$3, Taco Bell expanded its Cravings Menu, and Jack in the Box launched a new “Value Done Jack’s Way” menu with a la carte items costing \$1 or \$2 and combo meals at \$3 and \$4. A review of customer purchase data found almost three-fourths (72%) of customers who purchased from the value menu in January 2018 also bought from the regular menu while only 16% bought value menu items only, disproving the argument that customers are lured away from the regular higher priced menu items when a value menu is offered. Also, the average check for a value menu customer in January was \$8.81 compared to \$8.34 for people buying items on the regular menu. *(Source: Nation’s Restaurant News, 5/1/18)*



- ◆ A survey of U.S. consumers found almost half (46%) said they visited a burger-oriented fast food or fast casual restaurant at least five times in the past three months, while 37% visited a Mexican fast food chain, 32% visited a sandwich-oriented chain, and 31% visited a chicken chain at least five times in the past three months. *(Source: QSR Magazine, 4/2018)*
- ◆ When asked about technology use at quick-service restaurants, 39% of U.S. consumers surveyed said they used a mobile app to order a QSR meal in the past three months, up from just 11% in the same survey fielded in 2015. *(Source: QSR Magazine, 4/2018)*
- ◆ Ten state attorneys general launched an investigation into “no poach” or “no switching” agreements that some restaurant chains have which prevent current restaurant employees from being hired by other chains or even other restaurants within the same brand. The investigation was started after Princeton University published a study of 40 restaurant franchise agreements which found 80% had “no poach” clauses. Wendy’s denied the allegation, saying it does not have an “anti-poaching provision in our franchise agreement” nor does it “impose any restrictions that prohibit franchisees from hiring or soliciting employees from other franchisees.” Seven other chains – Auntie Aunt’s, Buffalo Wild Wings, Carl’s Jr., Cinnabon, Jimmy John’s and McDonald’s – all announced they would remove the “no switching” clauses from their franchise agreements immediately. *(Source: Nation’s Restaurant News, 7/10/18 and 7/12/18)*

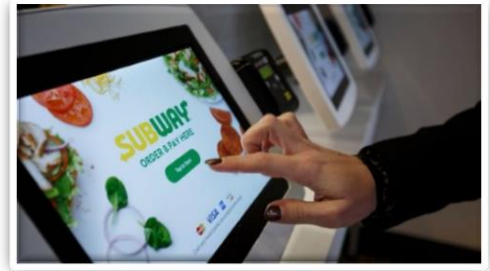


Burger/Sandwich Chains

- ◆ White Castle added the Impossible Slider to its menu. The plant-based burger comes topped with smoked cheddar cheese, pickles, and onions. White Castle is the largest restaurant chain to offer the vegan burger patty, which is offered at smaller “better burger” chains like Fatburger and Hopdoddy. (Source: *Business Wire*, 4/12/18)
- ◆ Hardee’s gave away free Sausage Biscuits (one to a customer) on April 17th as part of its “Tastes Like America” branding campaign, and to mark Tax Day. (Source: *QSR Magazine*, 4/12/18)
- ◆ Wendy’s announced plans to open more than 600 new locations around the world by 2020. To accommodate sites with smaller space, Wendy’s has a new “Smart Family of Designs” portfolio of restaurant building options for franchisees to choose from. These “smart” restaurants are energy efficient and use LED lighting inside and out, Energy Star equipment, and kiosk ordering stands rather than menu boards inside the restaurant. (Source: *PR Newswire*, 4/20/18)
- ◆ Sonic added a line of Cookie Jar Shakes to its menu for a limited time. The new shakes combine ice cream with pieces of Nabisco cookies: the Chips Ahoy Choco Chunky Chocolate Shake; the Oreo Caramel Shake; and the Nutter Butter Banana Shake. (Source: *Business Wire*, 4/23/18)
- ◆ Whataburger added three new limited time items: a Buffalo Ranch Chicken Strip Sandwich, a Garden Salad, and an Apple Cranberry Salad. (Source: *Nation’s Restaurant News*, 4/24/18)
- ◆ McDonald’s revealed its new global headquarters in Chicago will have a very special restaurant on the ground floor which will serve items usually only available overseas, on a rotating basis. The first batch of international items to be available will be the Mighty Angus Burger (Canada), McSpicy Chicken Sandwich (Hong Kong), Cheese & Bacon Loaded Fries (Australia), and the McFlurry Prestigio dessert (Brazil). Traditional American McDonald’s menu items will also be available on a permanent basis, as will a “Latin American-style dessert center” and McCafe drinks from Australia. (Source: *Chicago Tribune*, 4/24/18)
- ◆ Burger King ran a series of print ads in U.S. newspapers which pointed out homes formerly owned by McDonald’s executives and on the market to be sold all had grills in the backyard, possibly suggesting that even McDonald’s executives prefer their burgers to be flame-grilled. (Source: *AdAge.com*, 4/25/18)
- ◆ Carl’s Jr. and Hardee’s both added a new Memphis BBQ Thickburger and Jolly Rancher Milkshake to their menus. The burger had a 100% Black Angus beef patty topped with smoked pulled pork, cheese, Memphis-style barbeque sauce, and crispy fried onions. The milkshake combined vanilla ice cream with Jolly Rancher candies. (Source: *QSR Magazine*, 4/25/18)



- ◆ Subway announced it will roll out a “revitalization” plan for its brand which will require franchisees to invest more in their store operations, including updating the décor with comfortable seating, USB charging ports and WiFi service, plus new self-service ordering kiosks. The company expects about 500 restaurants in North America will close in 2018, but it plans to open almost 1,000 stores internationally. *(Source: Money.cnn.com, 4/25/18)*



- ◆ Subway’s CEO Suzanne Greco abruptly retired from the company. The chain’s Chief Business Development Officer was tapped to be interim CEO until a replacement could be found. Ms. Greco had been with Subway since 1973 when she worked as a “sandwich artist” at one of the first Subway restaurants. *(Source: Restaurant Business Online, 5/2/18)*
- ◆ Dairy Queen added a new seasonal Summer Blizzard Treat Menu featuring S’Mores, Summer Berry Cheesecake, Cotton Candy, and Twix Blizzard Treats. The limited-time line also included the Jurassic Chomp Blizzard as part of Dairy Queen’s partnership with Universal Pictures for its Jurassic World: Fallen Kingdom movie. To promote the new Summer Blizzard menu, Dairy Queen opened special “experiential” rooms at Big Screen Plaza in Manhattan on May 23rd which “brought to life” the five seasonal treats, with the S’Mores and Cotton Candy rooms decorated by celebrity interior designer (and DQ super-fan) Nate Berkus. *(Source: Business Wire, 5/3/18)*
- ◆ Arby’s brought back its popular Bourbon BBQ Sandwich line for a limited time. The line includes a hickory-smoked brisket sandwich, an Angus steak sandwich, and a new crispy buttermilk chicken sandwich, all topped with brown sugar bacon, cheddar cheese, crispy onion strings and a bourbon-based BBQ sauce. Really hungry guests could order all three proteins on one sandwich with the Bourbon BBQ Triple Stack. *(Source: Business Wire, 5/3/18)*
- ◆ McDonald’s launched a new ad campaign promoting its cooked-to-order, fresh beef patties. The ads feature sports and television stars such as Charles Barkley, John Goodman and Gabrielle Union providing the words for customers who have been rendered “speechless” by how good the new burgers taste. *(Source: AdAge.com, 5/7/18)*
- ◆ Jack in the Box and Grubhub announced a new partnership that will provide delivery of Jack in the Box’s food in more than 20 U.S. markets. The Grubhub point-of-sale system will be integrated into Jack in the Box’s system to give the restaurant operators the ability to control both in-house and delivery orders through the same device in the restaurant. *(Source: PR Newswire, 5/10/18)*
- ◆ McDonald’s celebrated the 45th birthday of its iconic Egg McMuffin breakfast sandwich with a special “breakfast jingle” written by Roger Greenaway, who was responsible for the famous “Buy the World a Coke” jingle. A sweepstakes was also part of the promotion – customers could watch the jingle’s video on social media and then comment with their favorite breakfast menu item and tag a friend on the video post. The winner would receive free breakfast for a year plus a limited-edition vinyl record of the jingle. *(Source: QSR Magazine, 5/16/18)*

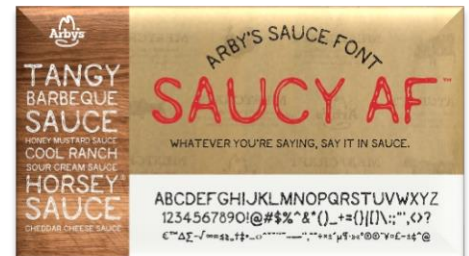


- ◆ A Burger King location in Massachusetts asked the Wendy's restaurant next door to go to prom via its sign out front and the Burger King twitter account posted a photo of the image in a Tweet that went viral with more than 30,000 likes. Wendy's Twitter account responded yes "but don't get handsy and we have to be home by 10." Wendy's response was even more popular and garnered more than 87,000 shares and 400,000 likes on Twitter. The two brands continued on with their Twitter friendship and even included other non-QSR brands like MoonPie in the banter. (Source: Restaurant Business, 5/11/18)



- ◆ McDonald's began testing breakfast catering at almost 200 restaurants in Central Florida. The special Breakfast Catering menu serves groups of six or more. Catering customers can build their own breakfast packages or choose from pre-built ones such as the "Deal at Dawn" with Egg McMuffins, Sausage Egg & Cheese McGriddles, hash browns, and Fruit 'N Yogurt Parfaits. Group sized "totes" of orange juice, iced tea, and coffee are also available. (Source: Restaurant Business, 5/22/18)
- ◆ McDonald's teamed up with Sprite to offer a special soft drink only available at McDonald's. The MIX by Sprite Tropic Berry soft drink combines Sprite with natural orange, pineapple and strawberry flavors. A special multimedia campaign titled "That's the MIX" included an original song by rapper KYLE and a custom clothing collection by Joe Freshgoods. Customers at select McDonald's locations in Atlanta, Chicago, Los Angeles, and New York could enter to win a piece of the custom clothing by purchasing a MIX by Sprite Tropic Berry (or any soft drink) on May 25th to receive a special code on their receipt, which they would then take to another line in the store to see which prize they won. (Source: QSR Magazine, 5/23/18)
- ◆ Two customers filed a lawsuit against McDonald's claiming they were forced to pay extra for cheese on their Quarter Pounders they didn't want. Restaurants used to offer a cheese-free option, but menu boards no longer show that option; however, customers who order through the McDonald's app or a delivery service can request cheese-free Quarter Pounders for a lower price. McDonald's says the claims have "no legal merit" as they let customers customize their orders, including ordering a Quarter Pounder without cheese. (Source: USA Today, 5/23/18)

- ◆ Arby's custom font the chain used in social media posts has been so popular the agency which created it (Moxie) made it available for download on the Arby's website. The "Saucy AF" font (the "AF" meaning "Arby's Font" per the brand) features letters that look like they were drawn using Arby's Sauce. (Source: AdAge.com, 5/17/18)



- ◆ Burger King celebrated National Donut Day (June 1st) by offering "Flame-Grilled Donuts" also known as Whoppers with the center cut out. The special "Whopper Donut" came with a "free" mini slider burger (aka, the cut-out center of the burger) and was only available at five Burger King locations across the United States. BuzzFeed's popular Tasty social media food channel developed a video teaching people how to make their own "Whopper Donut" as well. (Source: Business Wire, 5/30/18)

◆ A review of consumer data found more than half (52%) of Subway's customers go there by themselves, much higher than the average 35% of diners at other sandwich chains. The only other QSRs with higher solo visit percentages were Starbucks, Dunkin' Donuts, Au Bon Pain and Einstein Bros. Bagels. According to one restaurant industry expert, this is a real problem for Subway because the chain isn't being seen as a destination for families, plus customer satisfaction studies have consistently shown solo visitors rate their restaurant experiences lower than those who were part of a group. *(Source: Restaurant Business, 5/31/18)*

◆ Subway franchisees reportedly complained the company did "not provide franchisees with documentation of a profitable business case to justify the additional expense" of the loyalty program the chain rolled out this past spring. In a report to Subway Restaurants, the franchisees went on to say the loyalty program will have "a significant financial impact on every shop during a period of record low profits" and "given the financial frailty of most franchisees, it is not the right time to gamble on an unproven program." Subway argues enrollment in the Subway MyWay program is exceeding expectations with ten times as many customers enrolled in it than the previous one and the company is "confident loyalty members will visit more frequently and spend more than non-loyalty members." *(Source: Bloomberg.com, 5/31/18)*



◆ Wendy's announced its North American restaurants will use tomatoes exclusively grown in indoor greenhouse and hydroponic farms by early 2019. The company explained it will be able to provide "superior flavors" by making this change, plus it will bring economic opportunities to regions that typically can't support year-round agriculture due to geography and/or climate. *(Source: PR Newswire, 6/5/18)*

◆ In an interview with CNBC, McDonald's CEO Steve Easterbrook said the chain plans to install self-order kiosks in 1,000 restaurants every quarter for the next eight to nine quarters. Its restaurants in Canada, Australia, the United Kingdom already have the kiosks as do almost all the ones in France and Germany. *(Source: CNBC.com, 6/4/18)*

◆ Wendy's added a new salad to its menu for a limited time. The Berry Burst Chicken Salad has leafy greens topped with fresh blueberries and strawberries, feta cheese, grilled chicken, toasted almonds, and a raspberry vinaigrette. Through its partner DoorDash, Wendy's customers could get free delivery of this summer salad by using the promo code BERRYBURST when ordering through DoorDash. *(Source: PR Newswire, 6/6/18)*



◆ Jimmy John's unveiled a new line of 16-inch long "Giant Sandwiches" which are drawing attention because the "Gargantuan" with salami, capicola, turkey, roast beef, ham, provolone, lettuce, tomato, mayonnaise, oil & vinegar is 2,190 calories – more than a day's worth for most adults per the USDA. A new marketing campaign introduced the sandwiches, plus promoted some of the preparation techniques Jimmy John's uses such as slicing all meats, cheeses, and vegetables in house every day and not serving bread that is more than four hours old. *(Sources: USA Today, 6/7/18; QSR Magazine, 6/8/18)*

- ◆ Burger King added a new version of its popular Chicken Fries for a limited time. The Crispy Pretzel Chicken Fries have a salty pretzel coating flavored with various herbs and spices. *(Source: Business Wire, 6/7/18)*

- ◆ Sonic launched a limited time line of Snow Cone Slushes, in Bahama Mama, Blue Hawaiian, Tiger's Blood, and the much talked about Pickle Juice flavor. *(Source: Business Wire, 6/8/18)*



- ◆ Sonic Drive-In updated its chicken tenders with the launch of the new Crispy Tenders that are "flispy" – flavorful and crispy but with less breading than past tenders. The new Crispy Tenders are available on their own or as part of a meal deal with tater tots, an onion ring, and a piece of Texas Toast. A new Sonic Signature Sauce is also available which combines honey mustard with barbeque sauce. *(Source: Business Wire, 6/11/18)*

- ◆ Wendy's, Burger King, Whataburger and other restaurants took to social media to respond to IHOP's "name change" to IHOB or International House of Burgers. Wendy's Twitter account – which is famous for its snark – said it was "not really afraid of the burgers from a place that decided pancakes were too hard." Burger King announced it would change its name to Pancake King, while Whataburger tweeted that "as much as we love our pancakes, we'd never change our name to Whatapancake." *(Source: Fox-31 KDVR, 6/11/18)*

- ◆ In-N-Out had to close all of its restaurants in Texas for at least one day after a problem at the bakery which makes the buns used in that state. Replacement buns had to be shipped to Texas from California. Later that same day, Whataburger announced its restaurants in Texas, Oklahoma and Northwest Arkansas would not be able to serve its burgers on white buns or Texas Toast because of similar quality issues. According to Whataburger, there was an "unbalance in the yeast" which impacted the bread's flavor, but no health risk to customers. *(Sources: Nation's Restaurant News, 6/12/18 and 6/13/18)*

- ◆ Arby's teased a "big announcement" by having a message etched onto one sesame seed on a sandwich bun. The "world's smallest ad" said "A big announcement is coming. This isn't it." The bun ad was on display at an Arby's in Manhattan. A week later, Arby's announced it had completed its conversion to offering Coca-Cola products at all its restaurants. To commemorate the event, Arby's then posted the world's largest ad that said, "Arby's Now Has Coke" in a field near Monowi, Nebraska (population 1). Both the sesame seed ad and the nearly 5-acre ad were certified by Guinness World Records as being the Smallest and Largest Advertisement. *(Sources: AdAge.com, 6/13/18; Business Wire, 6/19/18)*



- ◆ McDonald's added two frozen cold-brew drinks to its McCafe menu for a limited time. The Cold Brew Frozen Coffee and Cold Brew Frappe were added as part of an ongoing battle between McDonald's and Dunkin' Donuts. McDonald's did not, however, add regular cold brew coffee to its menu. *(Source: Nation's Restaurant News, 6/13/18)*

- ◆ Subway has begun letting franchisees opt out of serving breakfast, as the omelet sandwiches haven't caught on in some markets and franchisees were having a hard time finding employees willing to open the stores at 7am. According to one consumer survey, over 40% of Subway's customers said they don't buy breakfast from the chain and 19% said they didn't even know Subway offered breakfast. Two-thirds of the customers surveyed said a franchise's decision to stop offering breakfast would not affect their eating habits at the chain at all. *(Source: Bloomberg.com, 6/14/18)*

- ◆ McDonald's gave away 100,000 "Frylus" smartphone stylus devices on June 21st to customers who purchased a Quarter Pounder. The "Frylus" would help customers keep their smartphone screens clean while eating their meal. McDonald's teamed up with Kirby Jenner – the social media celebrity who photoshops himself into pictures of model Kylie Jenner – to promote the giveaway. *(Source: QSR Magazine, 6/18/18)*



- ◆ To celebrate National Onion Ring Day (June 22nd), QSR customers could bring their French fries to one of four Burger King restaurants in the U.S. and trade them in for a free order of Onion Rings. *(Source: Business Wire, 6/21/18)*

- ◆ McDonald's expanded its Signature Crafted Recipe line with the addition of the Bacon Smokehouse Burger. This new burger has a quarter-pound of beef (or grilled chicken or fried chicken) topped with white cheddar cheese, smoked bacon, crispy onion strings, a sweet & smoky bacon onion sauce, and a "mild sweet" mustard sauce. *(Source: Nation's Restaurant News, 6/25/18)*

- ◆ Subway rolled out a new "teaser" campaign which used "SUBliminal messaging." The brand projected images of footlong sandwiches on the walls of buildings in Chicago along with a 3D chalk drawing in a parking lot that looked like a giant meatball sub had broken through the pavement. In San Diego, a 12-foot long sub sandwich was sculpted out of sand on one of the beaches. A TV component included 6-second (or less) ads, while GIFs were posted on Twitter and a special filter was available in Snapchat. The only references to Subway in the campaign were a blurry "seeing subs?" or a super-quick glimpse of the brand's updated logo. *(Source: QSR Magazine, 6/27/18)*

- ◆ Burger King partnered with Budweiser to create the limited-time American Brewhouse KING Sandwich which had two beef patties, 3 strips of bacon, crispy onions, American Cheese, mayonnaise and a "tavern sauce." To promote the burger, Burger King recreated Budweiser's iconic "Whassup" commercial with the original actors, plus The King himself as a party crasher. For customers over 21, Burger King gave away special "Freedom Crowns" that would hold both the American Brewhouse KING and a can of beer, presumably Budweiser. A special Alexa Skill was also created so users could say "Alexa, tell Budweiser Whassup" and the Alexa device would reply with "Whassup." *(Sources: Business Wire, 6/27/18; AdAge.com, 6/27/18; Adweek.com, 6/27/18)*



- ◆ Dairy Queen offered a special Blizzard Treat for the 4th of July holiday. Starting July 2nd and while supplies lasted, customers could order the Star-Spangled Blizzard Treat made with vanilla soft-serve mixed with red, white & blue rock candy and topped with one of Dairy Queen's Stars & Stripes StarKiss Frozen Treats. For the entire month of July, a special Oreo Firework Blizzard Treat was also available which had Oreo cookie pieces and red & blue popping candy mixed into the vanilla soft-serve. (Source: QSR Magazine, 7/2/18)



- ◆ Wendy's promoted its new summer beverage line in an unusual way. The chain's agency VML wrote six short romance stories and posted them on Wattpad, an online community where users can share their original writings. The six stories are themed to go along with the six beverages: All Natural Lemonade, Berry Cherry Fruit Tea, Honest Tropical Green Tea, Limeade, Strawberry Lemonade, and Strawberry Watermelon Fruit Tea. The campaign isn't a paid promotion – Wendy's set up its own Wattpad account and will manage it themselves. Wattpad reaches 65 million people a month and stories can quickly go viral. (Source: Adweek.com, 7/2/18)
- ◆ McDonald's is testing several new items for its McCafé menu including Muffin Toppers – just the tops of muffins – in blueberry, double chocolate, and lemon poppy seed varieties. Coffee cakes and lattice-crust apple pies are also on the new menu, but the Muffin Toppers are getting the most attention because of the popular episode of "Seinfeld" in which Elaine created a bakery that only sold the tops of muffins because they are better than the "stumps." The Muffin Toppers are currently only available in the Baltimore market, but the new menu items should be rolled out nationwide as locations are updated to the "Experience of the Future" design. (Source: Nation's Restaurant News, 7/3/18)
- ◆ McDonald's pulled all of its salads from 3,000 restaurants in several Midwestern states amid a cyclospora food poisoning outbreak. According to the Illinois Department of Public Health, of the 90 Illinois cyclospora victims reported to date, roughly one-fourth said they had eaten a McDonald's salad in the days before getting sick. (Source: Restaurant Business, 7/12/18)
- ◆ McDonald's announced plans for Global McDelivery Day. On July 19th, McDonald's locations on six continents will provide delivery through Uber Eats. McDonald's customers who order more than \$5 worth of food on that day through Uber Eats will receive a special "throwback" Happy Meal gift with special 1990's-themed memorabilia such as McDonald's-themed pins for flair, tube socks, t-shirts, etc. (Source: Forbes.com, 7/13/18)
- ◆ Checkers & Rally's Drive-In restaurants plan to add about 70 new restaurants in 2018 as part of a growth map which could eventually add 3,000 locations to its existing markets. Many of the new restaurants the chains are building are modular and only take three days to assemble on-site, with a total build time of just eight weeks, compared to the average 20 weeks for traditional QSR location builds. The modular restaurant can even be picked up and moved to a new location in the future in case the lease is lost. (Source: QSR Magazine, 7/5/18)



- ◆ Wendy's added a \$1 Buffalo Ranch Crispy Chicken Sandwich to its value menu for a limited time. (Source: PR Newswire, 6/28/18)

- ◆ Krystal's new CMO unveiled a new branding campaign for the burger QSR which uses the tagline "Live A Little" and social media tag #SquareTalk. Along with the ad campaign, Krystal also added two items to its menu for a limited time offer: Pimento Cheese Bites and Frozen Lemonhead Slushies. (Source: PR Newswire, 6/27/18)



- ◆ Carl's Jr. closed its new location in Manhattan just five months after it opened. According to employees, they still haven't received their final paychecks and were told by CKE Corp. there was nothing it could do. In a statement to Nation's Restaurant News, CKE said "although CKE corporate is not responsible for franchisee employee relations issues, we expect our franchisee partners to meet their legal obligations to their employees, and we take very seriously any allegation their employees have not been paid...and our goal is to see all employees paid within the next two weeks." The Manhattan restaurant was the only one operated by this particular franchisee. (Source: Nation's Restaurant News, 7/6/18)

Chicken Chains

- ◆ KFC brought back actor George Hamilton as the Extra Crispy Colonel for a campaign promoting its new Crispy Colonel Sandwich line. The new sandwich has an Extra Crispy classic chicken filet topped with pickles and mayonnaise and also comes in three flavor options: Georgia Gold honey mustard BBQ, Nashville Hot BBQ, and Smoky Mountain BBQ. (Source: PR Newswire, 4/20/18)

- ◆ Bojangles' also extended its sponsorship of PGA TOUR golfer Chesson Hadley for a fifth consecutive year. Mr. Hadley will have the Bojangles' logo on his shirts and outerwear during the 2018 PGA TOUR season and will appear at various Bojangles' events. During the 2018 Wells Fargo Championship, Bojangles' will donate \$100 to the Muscular Dystrophy Association chapter in Charlotte, North Carolina for every birdie Mr. Hadley makes and \$250 for every eagle. (Source: Business Wire, 4/30/18)

- ◆ To promote the 2 for \$5 deal, Bojangles' held a contest on social media. Consumers could share their "most creative beauty shot" of their Cajun Filet Biscuit on Instagram with the tag #CajunFiletContest. The top five most creative would be chosen as finalists that consumers could vote on. The winner would receive \$1,000 and three randomly selected entries would win a \$25 Bojangles' gift card. (Source: Business Wire, 4/23/18)



- ◆ Bojangles' announced the chain will close more underperforming stores this year in addition to the eight closed in the first quarter. The company will also cut some "very low-volume" items from its menu which are "complicated to execute" and slow workers down. (Source: Restaurant Business, 5/9/18)

- ◆ Popeyes teamed up with Uber Eats to offer delivery of its food in New York, Chicago, Miami, and Washington DC, after a successful test program. According to Restaurant Brands International CEO Daniel Schwartz, the company discovered during the test program that delivery customers liked placing dinner and late-night orders, both of which typically have higher check amounts. *(Source: QSR Magazine, 5/16/18)*

- ◆ KFC celebrated the kick-off of the summer season by holding a sweepstakes to win a limited-edition KFC Colonel pool float. The KFC Colonel float is a raft shaped like Colonel Sanders with special holders in the hands for a bucket of KFC and a beverage. To enter the sweepstakes, consumers needed to go to KFCfloatie.com, with winners to be selected on June 23rd. *(Source: PR Newswire, 5/23/18)*



- ◆ Chick-Fil-A began testing a new snack option at restaurants in North Carolina and New Mexico: Chick-n-Sliders. The small chicken filet piece is served on a warm roll with a honey butter spread. Chick-Fil-A is also testing offering its Chick-n-Minis breakfast item all day long in Arkansas, Florida and Indiana. The Chick-n-Minis are available in a package of four, ten or in catering-tray options. The chain also added two drinks to its menu as limited-time seasonal options: the new White Peach Tea Lemonade and the summer favorite Peach Milkshake. *(Source: QSR Magazine, 5/31/18)*

- ◆ From June 13th through July 8th, customers who visited participating Bojangles' restaurants in North and South Carolina could pick up a voucher good for a \$20 admission discount to Carowinds, an amusement park located near Charlotte, North Carolina. Each voucher was good for a \$20 discount on up to six admissions on a single-day visit. *(Source: Business Wire, 6/13/18)*

- ◆ KFC introduced a new, limited-time menu item: Pickle Fried Chicken. This new version of the Extra Crispy Chicken is coated in a special sauce made from dill, vinegar, onion, garlic, buttermilk and a blend of white & black pepper. The Pickle Fried Chicken was available as a Crispy Colonel Sandwich, Extra Crispy Tenders, Chicken Littles, or Extra Crispy Chicken. Restaurants were only given a limited amount of the ingredients for the sauce, so the special Pickle Fried Chicken was only available for a few weeks. *(Source: PR Newswire, 6/21/18)*

- ◆ Church's Chicken launched a new national ad campaign using the tagline "Here's the Deal." The first ads in the campaign featured Church's chefs and their "unique spirit of creativity" that led to the creation of the popular Smokehouse Chicken meal which is back for a limited time. This special fried chicken has no batter or breading, only a blend of seasonings. In addition to being served in pieces, this year the Smokehouse Chicken is also available in a half-chicken portion. *(Source: QSR Magazine, 5/25/18)*



- ◆ Church's added a new variety of its popular Smokehouse Chicken: Bourbon Black Pepper. This limited time item was served as a meal with half a chicken, side dish, and a honey-butter biscuit for \$5. A family pack of four half-chickens, three large sides, and six biscuits was available for \$25. *(Source: PR Newswire, 6/25/18)*
- ◆ Chick-Fil-A hosted its 14th annual Cow Appreciation Day on July 10th. Customers wearing cow-attire when they visit the restaurant received a free entrée while children received a free Kid's Meal. Free-standing Chick-Fil-A locations also had a geographic Snapchat filter available on Cow Appreciation Day. *(Source: QSR Magazine, 6/26/18)*
- ◆ Starting June 10th – National Iced Tea Day – Bojangles' customers could get a 32-ounce cup of sweet tea for just \$1. Also, new members of the Bojangles' E-Club can get a coupon good for a free half-gallon of Legendary Iced Tea® upon registering for the loyalty program. *(Source: Business Wire, 6/7/18)*
- ◆ Data from an annual survey of customer satisfaction showed Chick-Fil-A had the highest customer satisfaction score of any restaurant – QSR or full service – earning an 87 for the third straight year. The QSR industry average score was 80, up 1.3% from the 2017 survey. *(Source: QSR Magazine, 6/27/18)*
- ◆ To commemorate National Fried Chicken Day (July 6th), George Hamilton appeared in character as the Extra Crispy Colonel on that day's episode of "General Hospital." *(Source: Marketing Daily, 7/2/18)*
- ◆ Chick-Fil-A has begun testing buttons at the tables in three Houston restaurants which customers can push to have an employee come to their table and address any problems or take additional orders. The button sends a signal to smart watches worn by two of the store's staff. Chick-Fil-A already had a policy in place which had a designated server walk around the restaurant's dining room every five minutes to see if guests needed anything after making their initial order. According to the operator of the three test restaurants, their "second orders" have increased from \$30-\$45 per day to between \$200 and \$350 per day since the call buttons have been installed. *(Source: QSR Magazine, 7/12/18)*
- ◆ Wingstop executives told attendees at the Jefferies LLC investment conference the chain is developing an in-house delivery platform which will allow the company to transition away from using Olo. Wingstop is also working on a new app and updated interface for its website, as the company hopes to increase its digital sales from 24% of its total to 40% by 2019. *(Source: Nation's Restaurant News, 6/20/18)*



Pizza/Pasta Chains

- ◆ Domino's announced it had designated 150,000 locations in the United States as "hotspots" where customers could have orders delivered without a traditional street address. The new hotspots include beaches, parks, sports fields, and other locations. Customers simply place their order online or through the app on their smartphone. The system will display what "hotspots" are near their location on a map, and customers can also leave instructions in their order to help the delivery driver find them. Text messages keep the customer up to date as to the status of their order and an estimated arrival time of the delivery to the selected hotspot. The chain later set up a special website where customers could suggest potential new hotspots. The franchisee closest to the location would review the suggestion to see if they could deliver to it, then the customer who made the suggestion would get an email letting them know it was now activated as a delivery spot. (Sources: QSR Magazine, 4/16/18; PR Newswire, 5/29/18)
- ◆ Pizza Hut's Chief Brand Officer told Ad Age the company needs to "pivot to a customer lifetime mindset" rather than stay "stuck in a transaction mindset." Some changes it made in 2017 – like hiring more delivery drivers and designing new pouches that keep the pizza warm during delivery – may be paying off, as the company's same-store sales rose 2% in Q4 2017. One industry analyst says Pizza Hut's gain is due to the fact that Papa John's continues to lose market share. (Source: AdAge.com, 4/17/18)
- ◆ In one of its first activations as the Official Pizza Sponsor of the NFL, Pizza Hut attended the 2018 NFL Draft. The chain introduced NFL superstar JuJu Smith-Schuster as a new brand ambassador for its "Doorbell Dance" and social media correspondent on the Draft's Red Carpet. Mr. Smith-Schuster demonstrated various ways he dances to celebrate the arrival of Pizza Hut at his door and invited fans to submit their own "doorbell dances" online for a chance to win a trip to any NFL regular season game of their choice. Pizza Hut also offered an "NFL Draft Box" promotion available during the NFL Draft (April 26th-28th) which included two medium pizzas, an order of wings, and an order of breadsticks for \$19.99. (Source: PR Newswire, 4/23/18)
- ◆ Papa John's teamed up with TXU Energy to celebrate the fourth annual #trees4pizza promotion for Earth Day. The companies deliver loblolly pine tree seedlings with every pizza order in the Houston market on April 22nd. This year, the companies also worked with the Texas Trees Foundation and Trees for Houston to distribute 450 five-gallon mature trees in some of the neighborhoods hit the hardest by Hurricane Harvey in 2017. (Source: PR Newswire, 4/20/18)
- ◆ Pizza Hut rolled out a new limited-time pizza which combined two of its most favorite menu items. The Double Cheesy Crust Pan Pizza had a ring of cheese just inside the edge of the pan pizza crust, which was also sprinkled with Parmesan. (Source: QSR Magazine, 4/30/18)



- ◆ Domino's began testing the DOM Voice Recognition system on phones in 20 stores across the United States. This system will let customers place carry-out orders over the phone while allowing Domino's employees to focus on preparing orders and assisting customers who are in the store ready to pick up their order. The DOM Voice Recognition system will also handle calls from customers who want to know the status of their order, by automatically determining if it is a follow-up call from the same phone number and then switching over to act as a version of the Domino's Tracker. (Source: PR Newswire, 4/23/18)

- ◆ Pizza Hut expanded its test of beer delivery to include 100 restaurants in Arizona and California, including ones in Los Angeles and Sacramento. Customers can add "two packs" or six-packs of beer to their pizza order. Brands available include Blue Moon, Bud Light, Budweiser, Coors Light, Miller High Life, and Shock Top. (Source: Nation's Restaurant News, 5/8/18)



- ◆ Papa John's announced its Chief Marketing Officer was leaving the company at the end of May. The company's CEO said he would run the marketing department himself until they found someone "who has the necessary skills to execute our strategy with urgency and agility." He also said the company has learned their "slogan alone is not enough" and it has to be better about communicating and connecting with customers. (Source: QSR Magazine, 5/9/18)

- ◆ Papa Murphy's acknowledged the company's growth has come to a halt as its CEO told investors the chain has lost 62 stores in the past year and only plans to open 10 new locations in 2018. The chain plans to roll out an updated version of its mobile app in the second half of 2018 and intends on "aggressively" expanding its delivery options by the end of the year. (Source: Restaurant Business Online, 5/10/18)

- ◆ To celebrate National Pizza Party Day (May 18th), Pizza Hut offered a special, one-day only, deal: three medium, one-topping pizzas for just \$5 each. Customers could also tweet why they love Pizza Hut with the tag #HeresToTheHut on May 18th and one winner per hour would be selected to win a \$100 Pizza Hut e-gift card so they could have their own pizza party. (Source: QSR Magazine, 5/17/18)

- ◆ Domino's ran its first-ever ad in the New York Times newspaper. The ad appears at first glimpse to be just their basic logo, but if you look closely it is made up of the names of all the new Domino's Hotspot locations. A companion television ad shows a Domino's employee trying to visit every hotspot to do a "grand opening" ribbon cutting. (Source: AdAge.com, 5/28/18)

- ◆ More than 100 Papa John's stores in the Western United States ran a special promotion during the month of May to support the Wounded Warrior Project. The combo deal of two large, one-topping pizzas, an order of cheesesticks, and a 2-liter bottled beverage cost \$25, but \$2 of each combo was donated to the Wounded Warrior Project. (Source: PR Newswire, 4/30/18)



- ◆ Little Caesar's added a new permanent menu item: the create-your-own Extra Most Bestest® Pizza. Customers can use the mobile app to build their own round pizza with the most cheese and the most of four toppings, starting at \$6 per pizza. (Source: PR Newswire, 5/29/18)

- ◆ Chuck E. Cheese's announced it will begin offering delivery of its pizzas and other menu items via partnerships with DoorDash, GrubHub, and Uber Eats. To promote the new delivery options, Chuck E. Cheese sent along a goody bag with games, puzzles, and toys or a plush doll as a freebie with each order. *(Source: PR Newswire, 5/22/18)*

- ◆ Little Caesar's and Mountain Dew ran a special deal to celebrate NASCAR driver Chase Elliott's race on June 10th. Every customer who ordered a DEEP!DEEP! Dish Pizza and a Crazy Bread Combo from June 10th through July 8th would receive a free 2-liter bottle of Mountain Dew or any other Pepsi-Cola product. For the June 10th race, Mr. Elliott's car was painted orange & white with Little Caesar's branding on the hood and tires. *(Source: PR Newswire, 6/6/18)*



- ◆ Papa John's added Donut Holes as a permanent item on its dessert menu. These treats are filled with caramel cream and rolled in cinnamon sugar and are priced at \$4.99 for 10 pieces. To celebrate National Donut Day (June 1st), Papa John's gave away a free order of Donut Holes with every online pizza purchase. *(Source: Business Wire, 6/1/18)*
- ◆ Raymour & Flanigan—a furniture store chain in New York—teamed up with Papa John's for a special promotion. Every customer who bought a mattress from Raymour & Flanigan from May 30th through June 13, 2018 received free pizza from Papa John's for a year. According to the retailer, they made the offer because "mattresses shouldn't come in a box. Pizzas do." *(Source: PR Newswire, 5/31/18)*
- ◆ Domino's launched a new effort to make it easier for its carry-out customers to get their pizzas home. At the site pavingforpizza.com, customers could nominate their zip code to receive a grant to pave potholes on its streets so customers bringing their pizza home don't have to worry about hitting a pothole and knocking its pizza around. To promote the effort, Domino's ran a special carry-out offer of large, three-topping pizzas for \$7.99 each. *(Source: PR Newswire, 6/11/18)*
- ◆ Pizza Hut announced it will only use chicken "raised without antibiotics important to human medicine" in all of its menu items by 2022. The company had previously said it would use chicken raised without antibiotics for its pizza, but this new announcement expanded the statement to include chicken wings served under the Wingstreet brand. *(Source: QSR Magazine, 6/19/18)*
- ◆ To commemorate James Harden's selection as the 63rd MVP by the National Basketball League, Papa John's offered a special MVPizza to the first 63 customers who placed a carry-out order at its location on Westheimer Road in Houston on June 26th. The MVPizza had black olives (to represent his beard), a three-cheese blend (because he led the league in three-pointers), jalapenos (because of his hot shooting), Italian sausage, and extra sauce. *(Source: Business Wire, 6/26/18)*
- ◆ Pizza Hut celebrated the "slowest sports day of the year" by offering its Cheesy Bites Pizza for a limited time. On July 18th there were no professional sports games to watch, so the company wanted to provide fans with something to keep them cheering. *(Source: PR Newswire, 7/17/18)*



- ◆ Pizza Hut extended its sponsorship of the NCAA to remain the Official Pizza of the NCAA through the 2020-2021 school year.

(Source: AdAge.com, 7/11/18)



OFFICIAL PIZZA PARTNER OF THE NCAA®

- ◆ John Schnatter, founder and Chairman of Papa John's, resigned after it became public he used a racial slur on a May conference call between Papa John's executives and the company's marketing agency, Laundry Service. Reportedly, the conference call was a role-playing exercise to teach Mr. Schnatter how to prevent possible PR issues in the future, and the incident occurred when he was asked how he would distance himself from online racist groups and he complained that Colonel Sanders used a particular word to describe African Americans and didn't have to deal with as much public outcry as he does now. The revelation sent Papa John's stock tumbling, the marketing agency who arranged the conference call quit, the company's PR agency quit, and many of the sports teams Papa John's had sponsorship agreements with suspended their ties to the company. The University of Louisville removed the company's brand name from its football stadium. Papa John's CEO announced the company would stop using Mr. Schnatter's image in its marketing, but there was no statement as to whether or not the company would change its name even though he "is" Papa John. *(Sources: QSR Magazine, 7/12/18; AdAge.com, 7/12/18; Washington Post, 7/13/18; Associated Press, 7/13/18; Nation's Restaurant News, 7/13/18)*
- ◆ Several days after resigning, John Schnatter sent a letter to the Papa John's board of directors stating his decision to resign had been a mistake and the board had not fully investigated the incident before pushing him to resign. *(Source: Wall Street Journal, 7/17/18)*
- ◆ In a television interview, John Schnatter accused the company's former ad agency (Laundry Service) of threatening to make his comment on the conference call public unless Papa John's paid them \$6 million. Laundry Service denied the allegation and Papa John's issued a statement it "specifically requested Mr. Schnatter cease all media appearance, and not make any further statements to the media regarding the company, its business or employees." *(Source: Mediapost.com, 7/16/18)*
- ◆ Fallon resigned the Papa John's advertising account barely a month after being retained by the company. Fallon issued a statement it had only learned about the conference call incident the same way the rest of the world did and it decided not to pursue any additional business with the company. The advertising that Fallon produced in the short time it held the account was product-focused and had not aired. *(Source: AdAge.com, 7/18/18)*
- ◆ The Wall Street Journal reported John Schnatter had been holding talks with Wendy's about selling the Papa John's chain to the burger company before the conference call incident occurred, but that Wendy's had "cooled" on the acquisition idea since then. Some restaurant industry experts were surprised Wendy's had even been entertaining the idea of buying the pizza chain, as it has been focusing on its burger business after selling off Arby's and Baja Fresh. *(Source: Wall Street Journal, 7/18/18)*
- ◆ Domino's ran a special promotion to celebrate the beginning of summer. From July 9th through July 15th, customers received a 50% discount on all menu-priced pizzas ordered online. *(Source: PR Newswire, 7/9/18)*



Mexican Chains

- ◆ For Tax Day (April 16th this year), Taco John's gave away one free beef taco to guests who presented a coupon they downloaded from the chain's social media pages or its Taco John's Rewards App. (Source: QSR Magazine, 4/13/18)
- ◆ Taco Bueno added marinated grilled chicken to its menu as a protein option. To promote the new meat, Taco Bueno also added four new entrees: the Grilled Chicken Soft Taco, Loaded Chicken Taco Salad, Classic Chicken Quesadilla, and Chicken Potato Burrito. (Source: QSR Magazine, 4/17/18)
- ◆ Del Taco added pork carnitas to its menu as a limited time protein option in burritos or tacos, or served on top of "loaded" French fries. The chain also added a new dessert: caramel crème churro. (Source: Nation's Restaurant News, 4/24/18)
- ◆ Del Taco expanded its late-night menu to attract more "after-hours" consumers. The company's CMO told CNBC that 25% of its sales are made between 8pm and 6am, and the customers during that period aren't usually ordering small snack items or value menu items. The new late night menu items include Queso Loaded Nachos, Queso Loaded Fries, and a Churro Dipper Shake. (Source: CNBC.com, 5/4/18)
- ◆ Taco Bell brought back its popular Naked Chicken Chalupa for a limited time. This year, the "naked" taco was available in its Original version and a "Wilder" version which substituted a "bold and smoky Wild sauce" for the creamy avocado ranch sauce on the original. (Source: Nation's Restaurant News, 5/8/18)
- ◆ Taco Bell's "Steal a Game, Steal a Taco" promotion returned for the 2018 NBA Finals. If the road team won one of the first three games, customers could get one free Doritos Locos Taco on June 13th from 2pm to 6pm local time. If the road team won one of Games 4-7, customers could get their free taco on June 20th. The Golden State Warriors beat the Cleveland Cavaliers in Game 3, so customers got their free tacos on June 13th this year. (Sources: PR Newswire, 5/17/18; Thrillist.com, 6/13/18)
- ◆ Taco Bueno brought back its \$10 Wholotta Box for a limited time. The box meal includes 12 Party Tacos or 12 Party Burritos (or 6 of each), two large side orders of refried beans, two side orders of Mexican rice, four bags of chips, and Taco Bueno's Original Red Salsa. (Source: QSR Magazine, 6/4/18)
- ◆ Taco Bell began testing "Frosé" at two of its Cantina locations. The 16-ounce frozen drink is made with a berry-flavored "Freeze" base and 2 ounces of rosé wine. (Source: Nation's Restaurant News, 6/6/18)
- ◆ Taco Bell also added a non-alcoholic frozen drink to its menu for a limited time. The Watermelon Freeze had black candy seeds mixed into the frozen watermelon-flavored mixture and was served with a large green straw to represent the watermelon rind. The company did, however, suggest customers should not give the drink to children under the age of four due to the potential choking hazard. (Source: USA Today.com, 6/16/18)



- ◆ Taco Bell added several new items to its menu: the \$2 Duo of a Triple Melt Burrito with a Baja Blast drink; \$5 Steak Nachos Box with a double-helping of steak and premium nacho toppings plus a drink; and the \$5 Naked Chicken Chalupa Box which included an original or Wild Naked Chicken Chalupa, a Doritos Locos Taco, a Crunchy Taco and a medium drink. (Source: PR Newswire, 6/21/18)

- ◆ Del Taco updated its branding with the addition of “Fresh Mexican Grill” to its name. According to the company’s CMO, the new branding is part of the company’s plan to reposition itself as a “QSR plus” chain which offers the value of Taco Bell with the fresh made to order food of a Chipotle. Inside the restaurant, there are little changes like new uniforms and a switch by employees to calling out orders by the customer’s name rather than an order number. (Source: Nation’s Restaurant News, 6/21/18)



- ◆ Taco Bell brought back its “hugely popular” Nacho Fries for the summer as part of a promotional tie-in to the 25th anniversary of the movie “Demolition Man,” in which the only restaurant to survive the “Franchise Wars” was Taco Bell. This time, however, the Nacho Fries cost more than just \$1. Three levels of Nacho Fries were available: classic for \$1.29, Supreme for \$2.49 and Bell Grande for \$3.49. A sequel to the “Web of Fries” teaser video was also released with Josh Duhamel reprising his role as a man investigating why Taco Bell didn’t serve fries. (Sources: PR Newswire, 6/27/18; USA Today.com, 6/27/18; AdAge.com, 7/11/18)

- ◆ TacoTime added a new limited-time entrée to its menu: the \$4.99 Rancho Ancho Burrito that had chicken, Mexi-Fries, cheddar & pepper jack cheese, corn, green onions, sour cream and a spicy ancho sauce. (Source: PR Newswire, 6/27/18)

- ◆ Taco John’s added a new line of Sirloin Steak burritos to its menu for a limited time. The new burrito line included: Cheesesteak, Sriracha, Meat & Potato, Steak & Shrimp, Breakfast Triple Meat, and Breakfast Steak & Potato. The Sirloin Steak burritos were created after last year’s limited-time Sirloin Steak Street Tacos line was so popular it ended up being added to the menu permanently. (Source: QSR Magazine, 7/2/18)

- ◆ Taco Bell celebrated the first anniversary of offering weddings at its Las Vegas Cantina location by rolling out a line of Taco Bell wedding attire and accessories for sale online. According to Taco Bell’s Chief Brand Officer, more than sixty couples have gotten married at the Las Vegas Cantina in the past year and 25 more are scheduled for this year’s “wedding season.” The wedding-themed attire includes t-shirts that say Mr. or Mrs., garters, and bow ties. The company has also expanded the Party Room in the Las Vegas Cantina to accommodate larger wedding parties. (Source: PR Newswire, 7/2/18)



- ◆ Del Taco launched a new ad campaign highlighting its employees and how they freshly prepare ingredients every day. The “Hardest-Working Hands” campaign includes television, digital and social media spots. (Source: Marketing Daily, 7/6/18)

Seafood Chains

- ◆ Long John Silver's announced a new "Catch of the Day" promotion. Each Monday through Saturday, customers can get a different menu item for just \$1, such as a \$1 Crispy Fish Slider or a \$1 Baja Fish Taco. On Sundays, customers can still participate in the All You Can Eat promotion that launched in March, which gives them all the battered fish or crispy chicken tenders they can eat with sides and hushpuppies. On the weekends, customers can also get a 10-piece order of Cinnapups or a Deep-Fried Twinkie for just \$1. (Source: Business Wire, 6/28/18)





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