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Research: Why Consumers Don't Come Back For Seconds

Food, service fails to keep customers hungry for restaurant brands.

March 12, 2007

By Kenneth Hein

It doesn't matter what McDonald's throws at them—be it premium chicken sandwiches or new salads—73% of lapsed patrons said the reason they don't go to the Golden Arches anymore is because they can't stomach the food.

Still, the chain has more active consumers than any other in the restaurant category, largely because it has so many locations, per the Restaurant Marketing Group's Leaky Bucket study being released this week.

Last month, the Denver research firm polled 1,500 adults ages 18-55 online asking them what exactly is preventing them from returning to the restaurant chains where they have dined in the past. Consumers who were less than 50% sure that they would return to a chain were deemed part of the leaky bucket. Those who were 90% certain they'd be going back for more were defined as "active users." Everyone in between was dubbed a "fence sitter."

Among the burger giants, McDonald's had the least lapsed users (27%) while Burger King had the most (33%). For BK, food was also the primary reason patrons were not coming back, per 64% of users. Comparatively, Paris Hilton's favorite In-N-Out Burger had a 38% leak rate because of its lack of locations, said 71% of lapsed diners.

"There is dissatisfaction among bigger brands like McDonald's," said Arjun Sen, president of the Restaurant Marketing Group. "Respondents feel that they are compromising on food and service for the sake of convenience."

This attitude is leading consumers to smaller competitors including In-N-Out Burger and mid-scale brands like California Pizza Kitchen and P.F. Chang's which have among the lowest levels of rejection because of service.

In-N-Out Burger aside, Del Taco and Chipotle have the highest level of complaints regarding lack of locations, illustrating a pent-up demand for the chains.

While consumer dissatisfaction with the bigger players opens the door for these brands, Sen said, "There are too many occasions where location is the most important factor or the only factor."

Pizza chains have the most fickle customers, per the study. Three-quarters of pizza fans said they were unsure as to whether or not they'd return to the brand they last visited.

This is why the pizza purveyors are constantly running price promotions, said Sen. "Those in the pizza category have to hammer consumers every day with advertising because consumers have a totally open mindset as to who they're going to order from."

Pizza chains spent \$620 million on media in 2006, 3% more than 2005, per Nielsen Monitor-Plus. Pizza Hut had the highest active base of active consumers (27%) and the smallest percentage of lapsed users (35%). Forty-seven percent of Papa John's consumers had lapsed. Why? Twenty-eight percent cited a lack of "family friendliness."

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