

April 2024

The QSR Dining Advantage

Dive into the latest location intelligence to see how QSR and Fast-Casual restaurants are driving visits and staying ahead of the wider Dining sector.

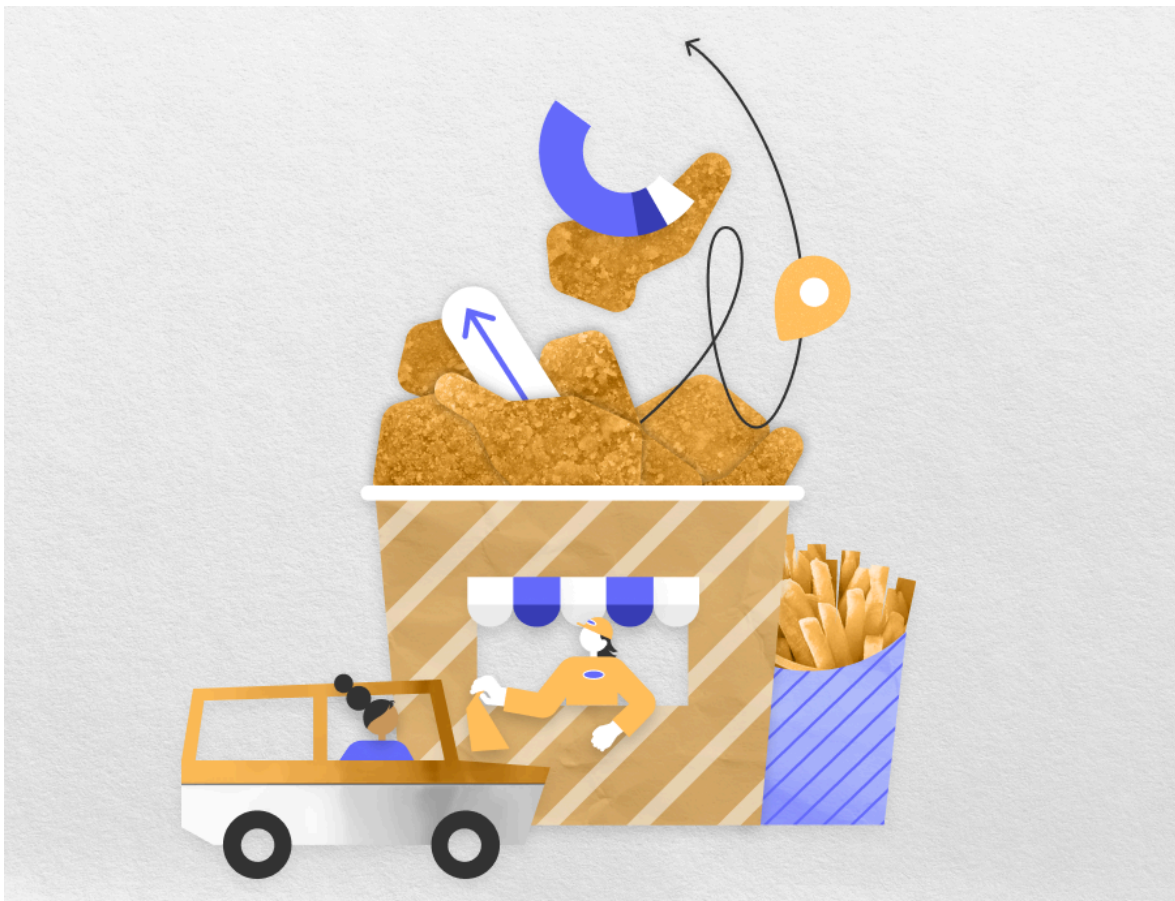


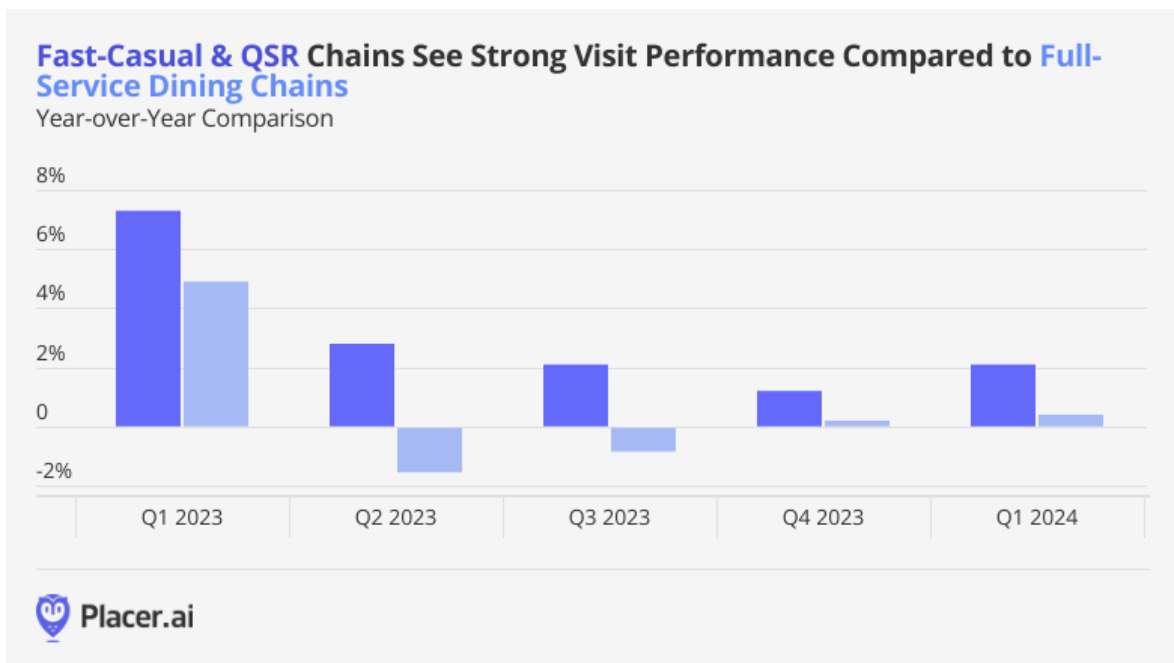
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This report includes data from Placer.ai Data Version 2.0, which implements improvements to our extrapolation capabilities, adds short visit monitoring, and enhances visit detection.

The State of QSR and Fast Casual

Over the past year, Fast-Casual & Quick-Service Restaurant (QSR) chains have thrived, consistently outperforming the Full-Service Dining segment with positive year-over-year (YoY) visit growth every quarter since 2023. In this white paper, we dive into the data for leading dining chains to take a closer look at what's driving visitors to the QSR segment and what other dining categories can learn from fast-food's success.



Speed of Service: It's the Name of the Game

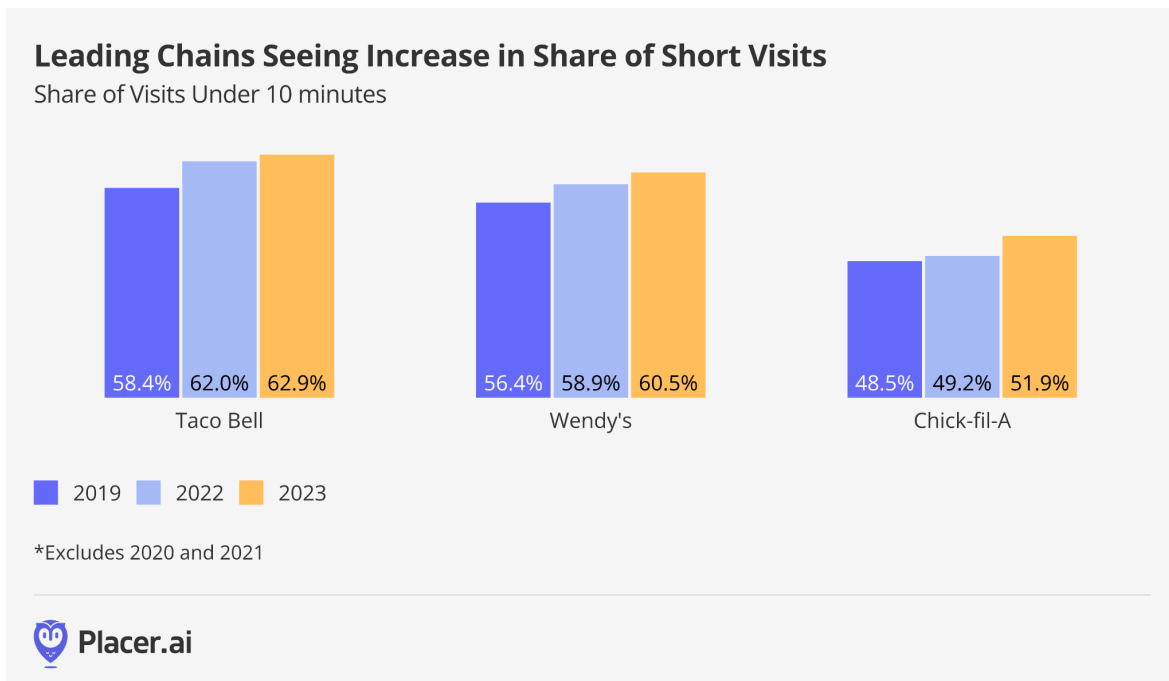
One of the key factors separating QSR chains – aptly known as “fast food” – from the rest of the dining industry is the speed at which diners can get a ready-to-eat meal in their hands. And within the QSR space, speed of service is one of the ways chains [differentiate](#) themselves from their [competition](#).

Getting Customers (In and) Out the Door

Leading fast-food chains are investing heavily in technologies and systems designed to help them serve customers ever more quickly:

Taco Bell's ["Touch Display Kitchen System"](#) is designed to optimize cooking operations and improve wait times, while the chain's [Go Mobile](#) restaurant format seeks to alleviate bottlenecks in the drive-thru lane. **Chick-fil-A** also has [dedicated channels](#) for quick mobile order pick-up and is [planning four-lane](#) drive-thrus with second-floor kitchens to get meals out even faster. And to save time at the drive-thru, **Wendy's** is experimenting with [generative AI](#) and [developing](#) an underground, robotic system to deliver digital orders to designated parking spots within seconds.

And location intelligence shows that all three chains are succeeding in reducing customer wait times. Over the past four years, Taco Bell, Chick-fil-A, and Wendy's have seen steady increases in the share of visits to their venues lasting less than 10 minutes.

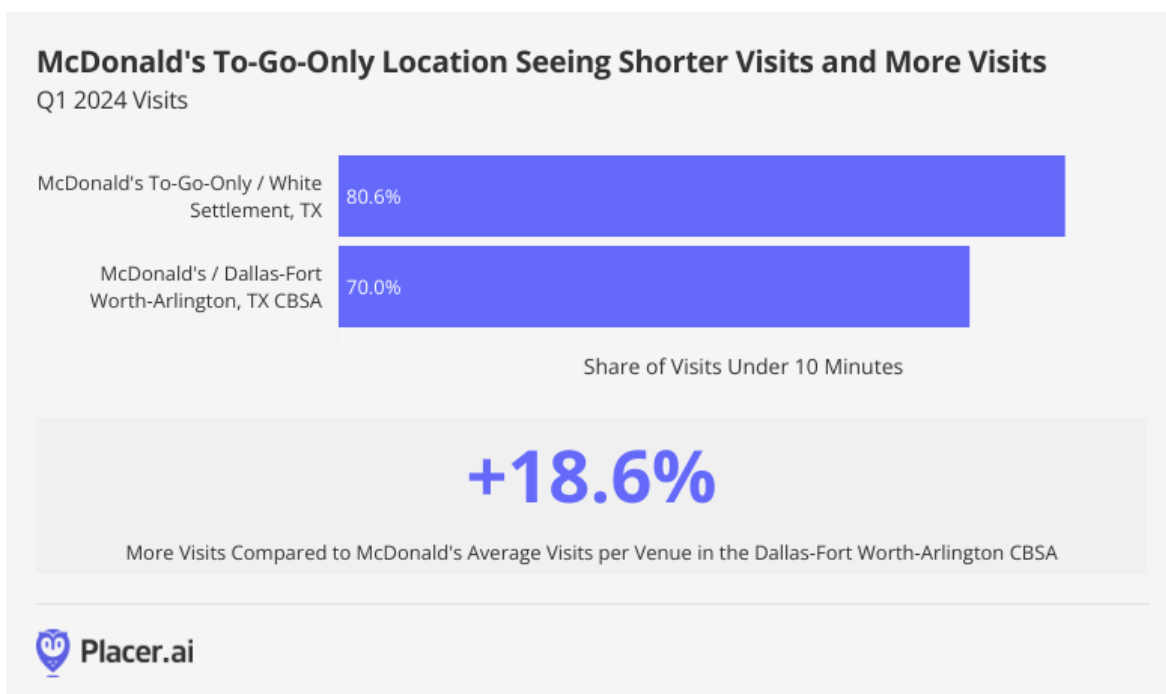


Faster Service Driving Visits

The data also suggests that investment in speed of service can increase overall visitation to QSR venues.

In late 2022, **McDonald's** opened a [to-go-only location](#) outside of Dallas, TX with a lane dedicated to mobile order fulfillment via a conveyor belt. And in Q1 2024, this venue not only had a larger share of short visits compared to the other McDonald's locations in the region, but also more visits compared to the McDonald's average visits per venue in the Dallas-Fort Worth CBSA.

This provides further support for the power of fast order fulfillment to drive QSR visits, with customers motivated by the prospect of getting in and out quickly.



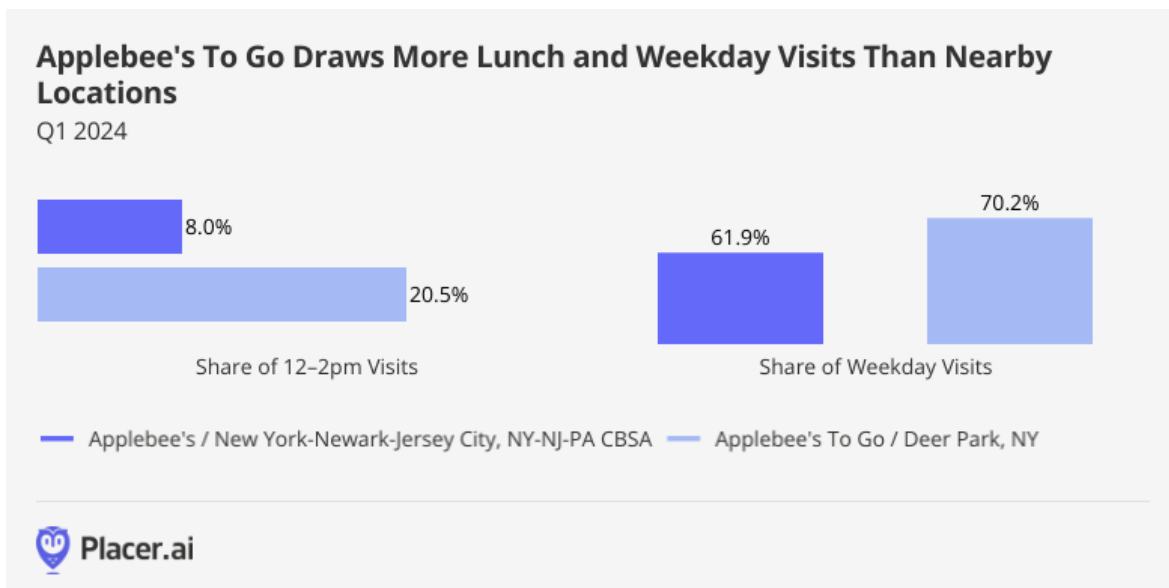
Full-Service Restaurants Experiments with Fast Service

The success of the fast-food segment is even driving [other restaurants](#) to borrow typical QSR formats – especially during time slots when people are most likely to grab a bite to eat on the go.

In September 2023, full-service leader **Applebee's** opened a new format: a fast casual location focusing on [To Go](#) orders in Deer Park, NY, featuring pick-up lockers for digital orders and limited dine-in options without table service.

And the new format is already attracting outsized weekday and lunchtime crowds. In Q1 2024, 20.5% of visits to the chain's To Go venue took place during the 12:00 PM - 2:00 PM time slot, while the average Applebee's in the New York-Newark-Jersey City CBSA received less than 10% of its daily visits during that daypart. The new restaurant also drew a significantly higher share of weekday visits than other nearby venues.

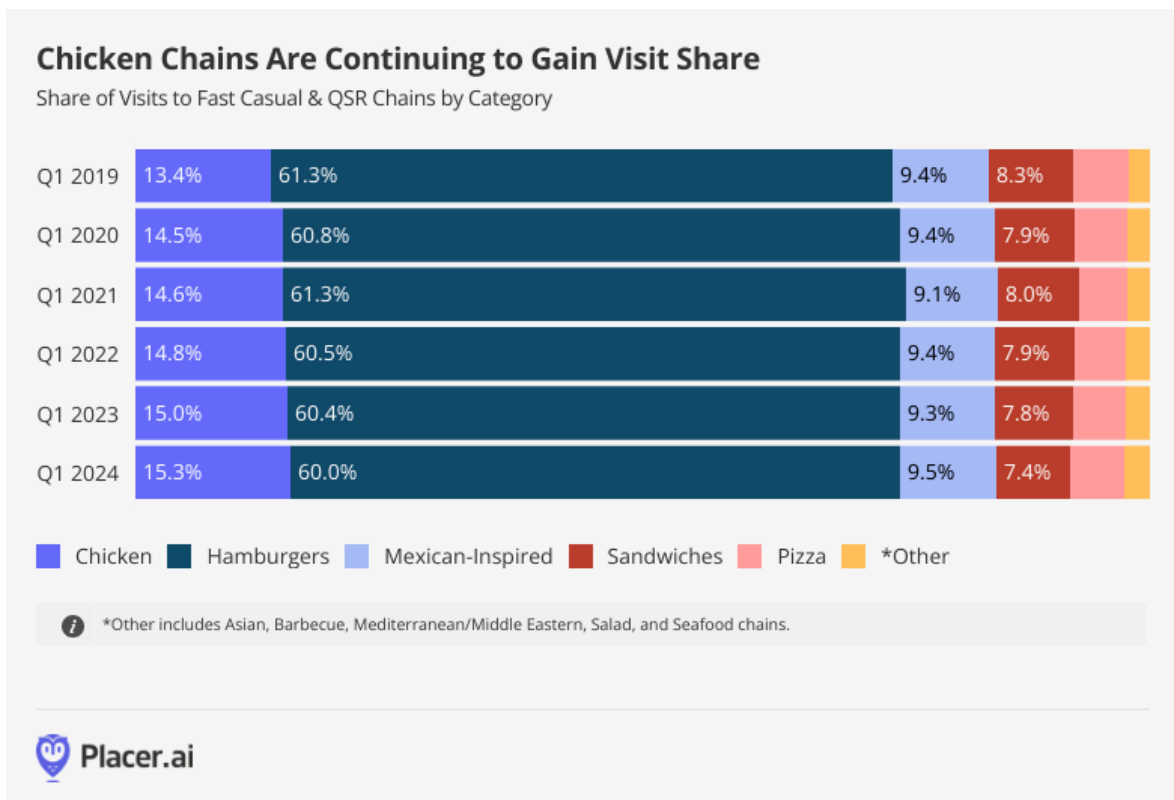
This suggests that takeaway-focused venues could help full-service chains grow their visit share during weekdays and the coveted lunch rush, when consumers may be less inclined to have a sit-down meal.



The Rise of Chicken Concepts

An additional factor contributing to QSR and Fast Casual success in 2024 may be the rise of chicken-based chains. Chicken is a versatile ingredient that has remained relatively affordable, which could be contributing to its [growing popularity](#) and the rapid expansion of several chicken chains.

Comparing the relative visit share (not including delivery) of various sub-segments within the wider Fast Casual & QSR space showed that the share of visits to chains with chicken-based menus has increased steadily between 2019 and 2023: In Q1 2024, 15.3% of Fast Casual & QSR visits were to a chicken restaurant concept, compared to just 13.4% in Q1 2019.

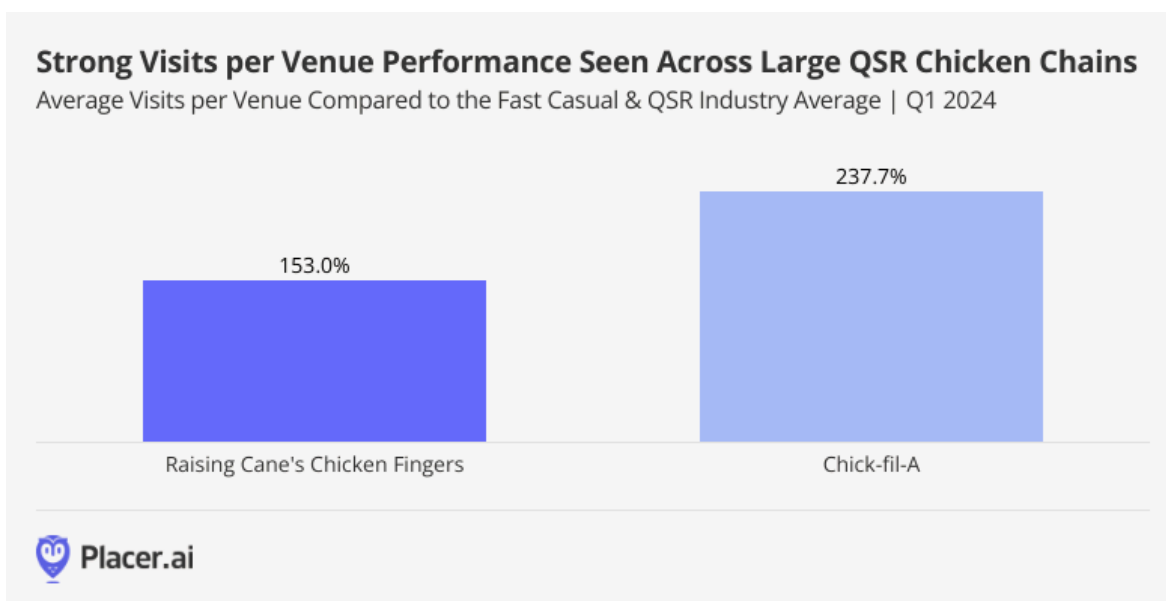


Big Players with Big Visits Per Venue

The strength of chicken-based concepts is also evident when comparing average visits per venue at leading chicken chains with the wider Fast Casual & QSR average.

Both **Chick-fil-A**, the nation's [predominant chicken chain](#), and **Raising Cane's**, a [rapidly expanding](#) player in the fast-food chicken space, are receiving significantly more visits per venue than their Fast Casual & QSR peers: In Q1 2024, Raising Cane's and Chick-fil-A restaurants saw an average of 153.0% and 237.7% more visits per venue, respectively, compared to the combined Fast Casual & QSR industries average.

The elevated traffic at chicken chains likely plays a part in their [profitability per restaurant](#) relative to other Fast Casual & QSR concepts with more sizable fleets.



Celebrating the Calendar

QSR and Fast-Casual chains are also particularly adept at generating seasonal visit spikes through unique Limited Time Offers and holiday promotions adapted to the calendar.

Diving into Seafood for Lent

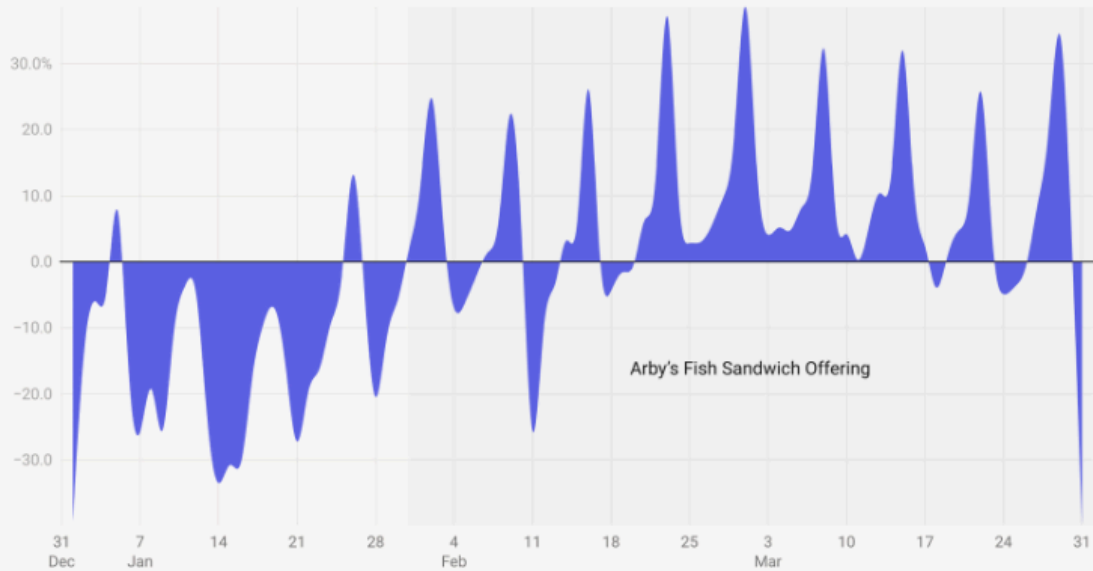
Arby's recently launched a 2 for \$6 sandwich [promotion](#) on February 1st, with two of the three sandwich options on promotion being fish-based in an apparent attempt to entice diners eschewing meat in observance of [Lent](#). The company also brought back a [specialty fish sandwich](#), likely with the goal of further appealing to the Lent-observing demographic.

The offers seem to have driven significant traffic spikes, with foot traffic during the promotion period significantly higher than the January daily visit average. And traffic was particularly elevated during Lent – which this year fell on Wednesday, February 14th through Thursday, March 28th, with visits spiking on Fridays when those observing are most [likely](#) to seek out fish-based meals.

Some of the elevated visits in the second half of Q1 may be attributed to the comparison to a [weaker January](#) across the dining segment. But the success of the fish-forward promotion specifically during Lent suggests that the company's calendar-appropriate LTO played a major role in driving visits to the chain.

Arby's Fish Sandwich Offering Sparks Surge in Friday Visits During Lent

Change in Daily Visits to Arby's Compared to the Q1 2024 Daily Average



Visits in the Air at White Castle's Valentine's Dinner

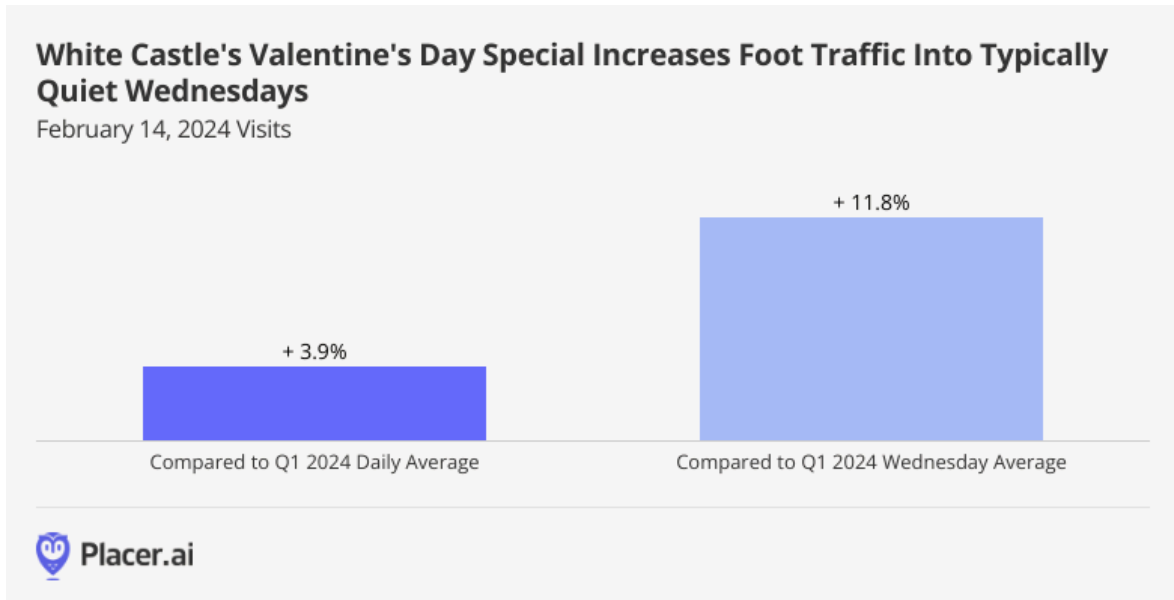
Shorter-term promotions – even those lasting just a single day – can also drive major visit spikes.

Since 1991, **White Castle** has transformed its fast-food restaurants into a reservation-only, "fine-dining" [experience](#) for dinner on Valentine's Day. In 2024, Valentine's Day fell on a Wednesday, and White Castle's sit-down event drove a 11.8% visit increase relative to the average Wednesday in Q1 2024 and a 3.9% visit increase compared to the overall Q1 2024 daily average.

The elevated visit numbers over Valentine's Day are even more impressive when considering that a full-service dining room can accommodate fewer visitors than the



drive-thrus and counter service of White Castle's typical QSR configuration. The spike in February 14th visits may also be attributed to an increased number of diners showing up throughout the day to take in the Valentine's Day buzz.



QSR & Fast Casual Lead the Way

QSR and Fast-Casual dining are having a moment. And the data shows that a combination of factors – including fast and efficient service, the rising popularity of chicken-based dining concepts, and effective LTOs – are all playing a part in the categories' recent success.

Key Takeaways

1. Over the past year, **QSR & Fast-Casual chains have outperformed Full-Service restaurants**, with positive visit growth nearly every month since March 2023.

2. Continued investment in **fast service** and the streamlining of **drive-thru and mobile order pick-up** are driving visits to QSRs, as demonstrated by the increase in short-visits at Taco Bell, Chick-Fil-A, and Wendy's.
3. Full-Service Restaurant chains like Applebee's are driving lunch-rush visits by **embracing quick-service formats**.
4. **Chicken chains** as a whole are gaining visit share in the Fast-Casual & QSR spaces, and high visitation rates at the restaurant level – including at Raising Cane's and Chick-Fil-A – are another indication of the segment's triumph.
5. **Holiday promotions** – both in the form of limited-time menu items like at Arby's and experiential events like at White Castle – continue to be a recipe for success in the QSR space.