

6 WAYS TO UTILIZE CONSUMER INTELLIGENCE



BLACK BOX
INTELLIGENCE

6 Ways to Utilize Consumer Intelligence

Interpreting and predicting consumer behavior is essential for restaurant operators to inform strategy. Furthermore, recognizing trends and shifts in consumer behavior and demand will help you optimize your decision making. Read on for 6 ways to use Consumer Intelligence and give your restaurant brand a competitive edge.

Grow Traffic & Customer Base

First, assess the market conditions. Compare your sales and traffic with the overall industry and your segment, then determine where you stand in comparison. If your brand is not performing in the top as you would expect, Consumer Intelligence will give you the competitive edge you need to move into positive territory.

With insight into consumer behavior, you can figure out who your top customers really are by looking at who comes in the most often and how much they spend. Look at their demographics and identify patterns to find the sweet spot of your most frequent customers. Do they fall into a certain income bracket? Do they have children? What age ranges are most typical? Look at this same customer data for your competitors.

Once you've nailed down this target audience, you can see what other brands they have an affinity for, in retail shops for example. A casual dining restaurant that used Black Box Customer Intelligence™ was able to determine that their target customer also tends to shop at Family Dollar. This information informs where to advertise, establish partnerships or even where to build new locations.

Track ROI of Your Promotions

Measure the success of your promotional efforts using consumer intelligence. Did your promotion drive new guests or increase customer frequency? With demographic information see if your promotions drove a specific type of customer and use that for your future targeting efforts.

Look at your customers during that promotion and track their behavior at other restaurants during that same time.

You will also be able to see if you took market share away from those brands.

A pizza chain saw a lift in traffic from a 2-month long promotion they ran. Using Consumer Intelligence, they were able to prove that their promotion increased frequency of their target guest demographic while also bringing in 5% more first-time guests. Imagine how much value this data will add to your marketing and promotions strategy!

CONSUMER INTELLIGENCE IN ACTION

BUSINESS CASE

Restaurant Co. has seen negative same-store traffic growth across the last eight quarters

Traffic growth has been average compared to casual dining

How can Restaurant Co. break into positive traffic growth and top quartile territory?

CUSTOMERS

53% of Restaurant Co. sales in 2018 were driven by 20% of customers that spent, on average, \$256 at the brand annually. These customers tend to make lower incomes and have older children

COMPETITION

Compared to its biggest competitors, Restaurant Co. has a larger Gen X customer base than the cohorts attracted by competition

ACTION STRATEGIES

Restaurant Co. should target lower income families with older children

After determining that target customer demographics have high cross spend at Family Dollar, Restaurant Co. should advertise and build new locations near Family Dollar stores

Manage Customer Churn

It can be difficult to truly figure out where your customers are going without getting some feedback. Black Box Guest Intelligence™ measures this with Intent to Return sentiment and can apply sentiment analysis to determine what is really going on. Take it a step further with Consumer Intelligence.

Segment your guests by frequency of visits. What do your guests that visit the most often look like? What is their average spend, how many times do you see them each year? Take these segments and compare them across different periods. Is the visit frequency going up or down? Either way, you'll be able to see where they are going or

where these customers are coming from.

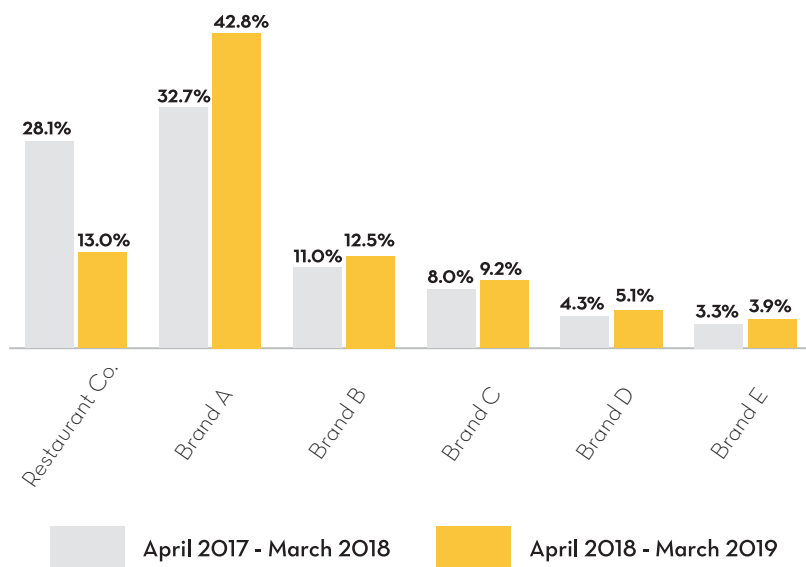
A sandwich brand was able to identify with Consumer Intelligence they were getting new guests that previously dined more frequently at a different sandwich brand. They also learned that they were losing market share among their most frequent guests to a quick service chicken chain.

Armed with this information, you can go back and study messaging from these other brands that might have impacted your own customer frequency or compare promotional windows. Tweak your strategy accordingly and stay a step ahead of these competitors.

CONSUMER INTELLIGENCE IN ACTION

Dollar Share of Market

Previously Loyal Guests of Restaurant Co.



Restaurant Co. was able to identify exactly where their customers were going and where new customers were coming from. They created customer segments based on visit frequency, then tracked their migration patterns from looking at changes in dollar share of market. They were able to see what brands were getting the customers they lost and adjust strategy accordingly.

**This data is blinded.
Consumer Intelligence clients are able to see brand names.*

Track the Right Competitors

Dialing in to traits of your most frequent guests will give you great insight on your base. Even more, you can learn a great deal about who your real competitors are.

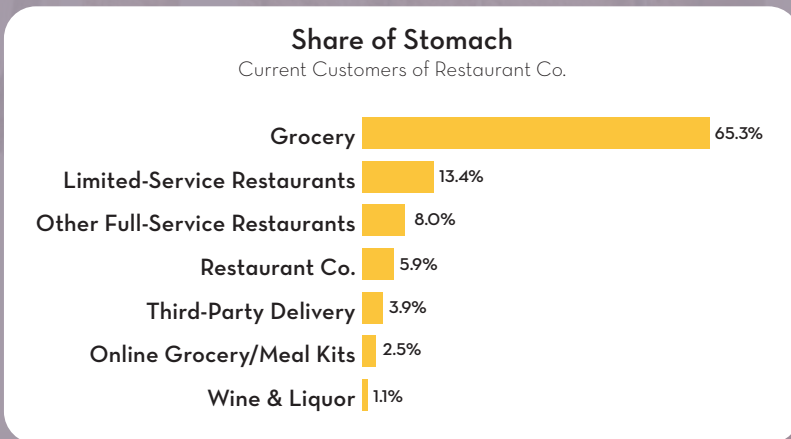
Many brands assume they compete with other restaurants in the same segment, for example. Access to consumer intelligence paints a much clearer picture.

A Mexican food chain learned they were

benchmarking against the wrong competitive set. Once they identified the competitors their guests spent at most, they were able to compete during promotional windows.

Look at how consumers distribute their share of wallet and see how much they allocate towards food expenses. See how much of that share is being allocated to your restaurant and what other brands are attracting your customers.

CONSUMER INTELLIGENCE IN ACTION



Restaurant Co. learned that consumers that dined with them during Q2 of 2019 allocated 18% of discretionary spend to food purchases. Of that food spend, 5.9% of it went to their brand.



The full-service chain was able to group customers together by shared traits and demographics. Conducting a cross-shop wallet index analysis allowed Restaurant Co. to see what brands attracted the same type of customer and know exactly who to be paying attention to.

**This data is blinded. Consumer Intelligence clients are able to see brand names.*

Inform Your Menu Pricing Strategy

Raising menu prices can often feel like a wait and see game. Fortunately, you can eliminate a lot of uncertainty with access to rich consumer data. You may notice that, in specific geographic regions for example, guest check averages are might higher. This helps you decide whether you want to increase price across the board or have a more targeted geographic approach.

You can use consumer insights to track your most loyal guests to determine whether or not raising prices would

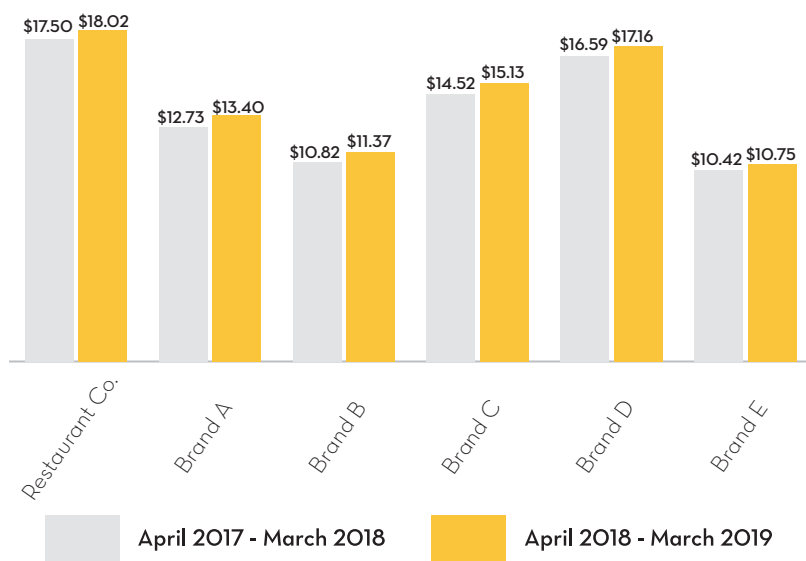
alienate this important group for your restaurant. Take a look at what they are spending at your competitors. It may be obvious that you have some room to increase prices just based on that alone.

But you can take it a step further with consumer data. Perhaps your most loyal customers are spending more at other brands. Nonetheless, they may be visiting your locations at a significantly higher frequency than your competitors. Thus, they may keep coming back to you because you offer more value.

CONSUMER INTELLIGENCE IN ACTION

Check Size Shift

Current Customers of Restaurant Co.



Restaurant Co. tracked their current customers to find out how much they were spending at other brands. They learned their customers were spending a bit more per check across the board from one period to another.

**This data is blinded. Consumer Intelligence clients are able to view brand names.*

Find Out if Third-Party Sales are Incremental

With or without in-house delivery, third-party delivery app adoption continues to rise. At a glance it may seem like these apps are bringing you a lot of business. But what if those sales you are getting from these partners is cannibalizing your sales versus bringing incremental dollars?

Consumer data gives you an in-depth look at the purchasing behavior of your guests and what third-party apps they are using. You may learn that your most frequent customer actually prefers a third-party provider you are not currently using and consider taking on a new

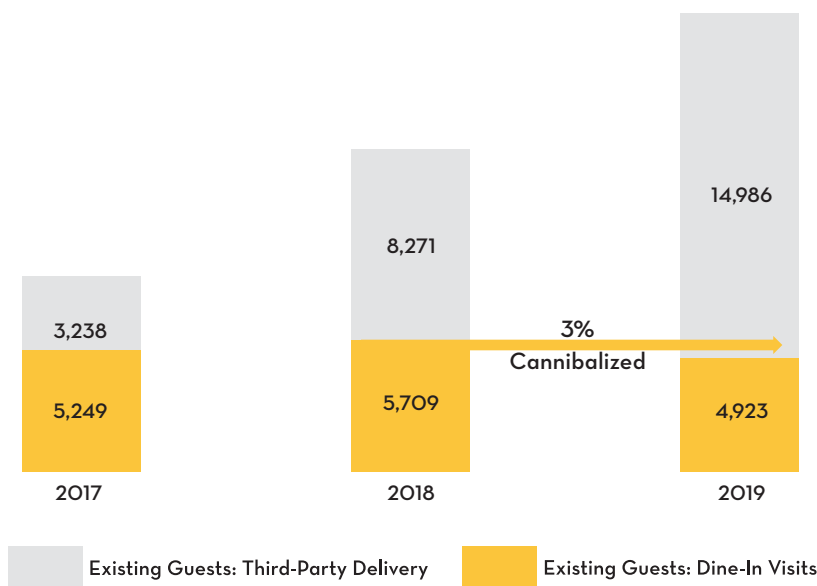
partner or making a switch. Or perhaps your customers tend to spend a little more when they are ordering from you on a third-party app versus in house.

Are dine-in visits going up or down? Insight into consumer behavior will tell you what percentage of your guests, if any, are visiting less because they are using a third-party delivery app. You'll be able to determine if those sales coming in from third-party apps are bringing you new business or cannibalizing your existing sales. This will help you determine if it is worthwhile to reconsider your third-party delivery partnerships.

CONSUMER INTELLIGENCE IN ACTION

Total Transactions for 2019

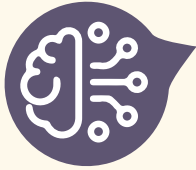
Restaurant Co. Third-Party Delivery Customer Cohort



A full-service chain was seeking to understand whether or not third-party transactions are incremental or cannibalizing their dine-in sales. They used Consumer Intelligence to learn that their existing guests using third-party apps decreased their dine-in visits 14% in 2019. However, their existing guests increased their total transactions 42% that same year. They were able to identify that 97% of their third-party transactions were bringing them incremental dollars.

A consumer intelligence tool driven by 20 million credit card transactions. Get detailed analysis at individual competitor sales and performance data. Understand your share of the market, share of wallet and share of stomach compared to your competitors and find out where your customers spend money when they aren't at your restaurants.

DO YOU WANT TO KNOW HOW YOUR GUESTS SPEND AT YOUR COMPETITORS?



COMPETITIVE INTELLIGENCE

Closely track the performance of your competitors and assess your market penetration



GUEST FREQUENCY

Identify the characteristics of your most frequent guests and determine how successful you are at retaining them



CUSTOMER DEMOGRAPHICS

Learn more about your customers and see if they are dining with your competitors



MARKET SHARE

Figure out which competitors are stealing market share and compare yours against them



PROMOTION TRACKING

Track your promotions and see how they impact customer spend behavior

BEST-IN-CLASS CONSUMER INTELLIGENCE TOOL



**LIVE CREDIT
+ DEBIT TRANSACTIONS**
(Visa + Mastercard)



**3,500+ COMPANIES
TRACKED**



**450+ RESTAURANT
BRANDS TRACKED**



**DATA REPRESENTATIVE OF
ENTIRE U.S. POPULATION**



**BROWSER-BASED
DATA VISUALIZATION**



**BILLIONS OF DATA POINTS
CRUNCHED IN SECONDS**



**DATA SUBMISSION
NOT REQUIRED**

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Workforce INTELLIGENCE

- Monthly restaurant workforce analytics covering over 2.3 million employees
- Compensation, turnover, recruiting, demographic and more
- 11 regions and 189 DMAs, compare your company against any segment



Guest INTELLIGENCE

- Only guest intelligence tool made exclusively for restaurants
- Validates the impact of online guest feedback on financial performance.
- Track your brand sentiment utilizing key attributes (food, service, value, etc)



Financial INTELLIGENCE

- Weekly real sales & traffic data covering \$76 billion in sales
- Segment, industry and cuisine benchmarks from 31,000 units
- Data shown for 11 regions, 50 states and 195 DMAs



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