

Marketing Spend

- Total 2022 net marketing spend for the \$1B+ Chain restaurants increased +7.4% y/y to \$7.4B, reflecting +9.2% systemwide sales growth partially off-set by lower net marketing spend as a percent of sales which has steadily declined from 3.2% in 2016 to 2.5% in 2022 (partially reflecting that full-serve chains have sharply curtailed their ad spend post-covid).
- Chain restaurants have been losing their share of voice as their total net restaurant marketing spend as a % of total domestic marketing spend across all industries declined from 2.9% in 2017 to 2.3% in 2022.
- Further, a relatively high level of creative ad agency turnover is notable with 10 chains switching creative ad agencies over the last 12 months (Bob Evans, Buffalo Wild Wings, Church's, Domino's, Dunkin', Krispy Kreme, Papa John's, Popeyes, T.G.I. Friday's, Wingstop).
- While digital marketing¹ across all domestic industries grew +7% y/y during 2022 (to a 49.1% mix of total marketing spend), growth slowed to +2.4% for the LTM 9/30/23 period.
- Also, several chains have increased and/or reallocated more funds to support more cost-effective national advertising in 2023 as marketers look to increase their marketing ROI.

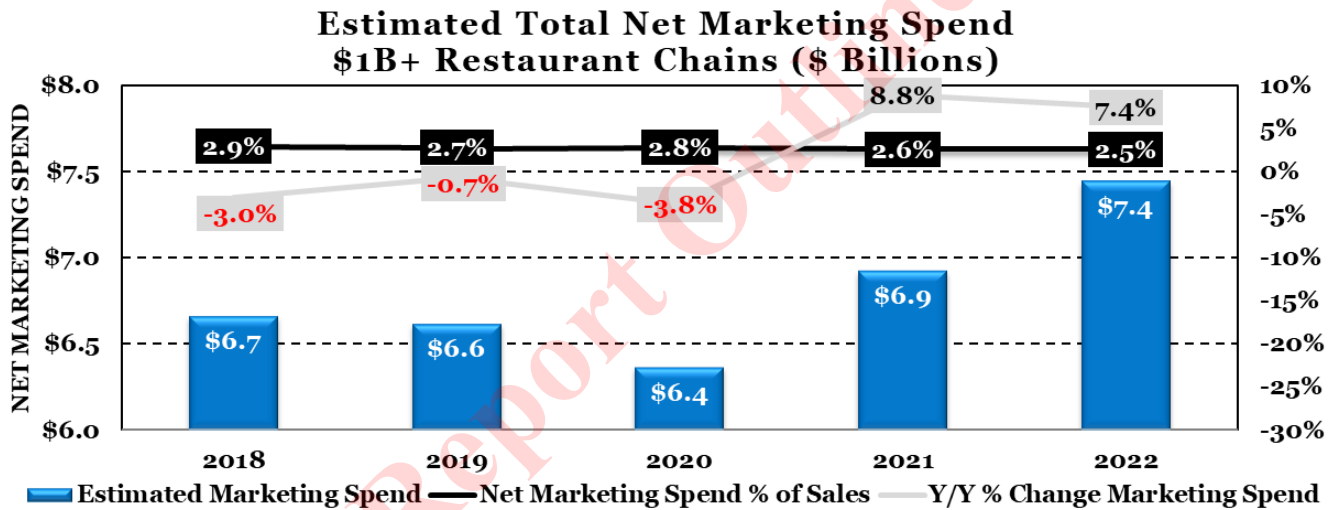


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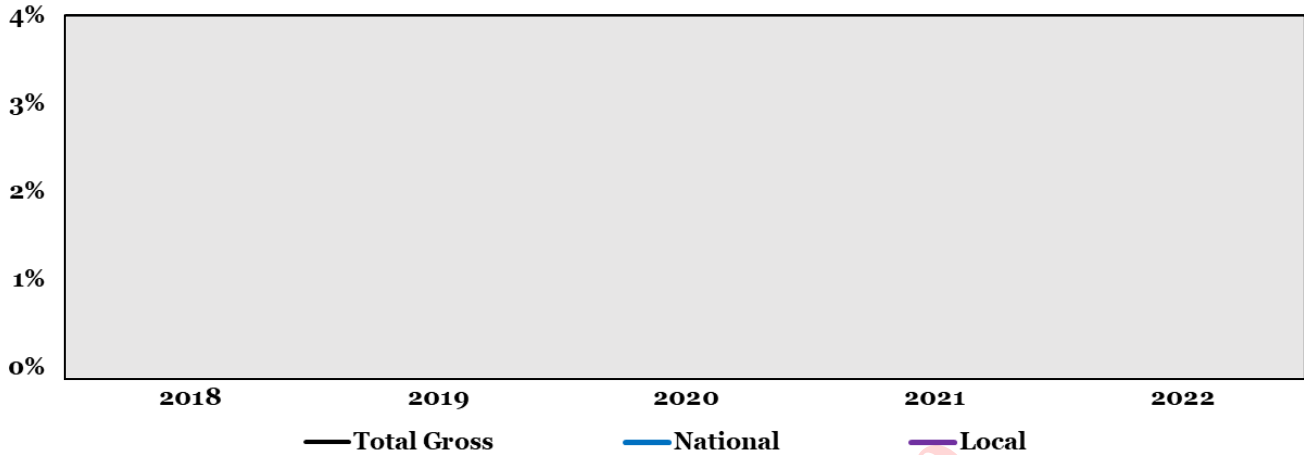
Data in spreadsheet form available at <http://www.ChainRestaurantData.com>

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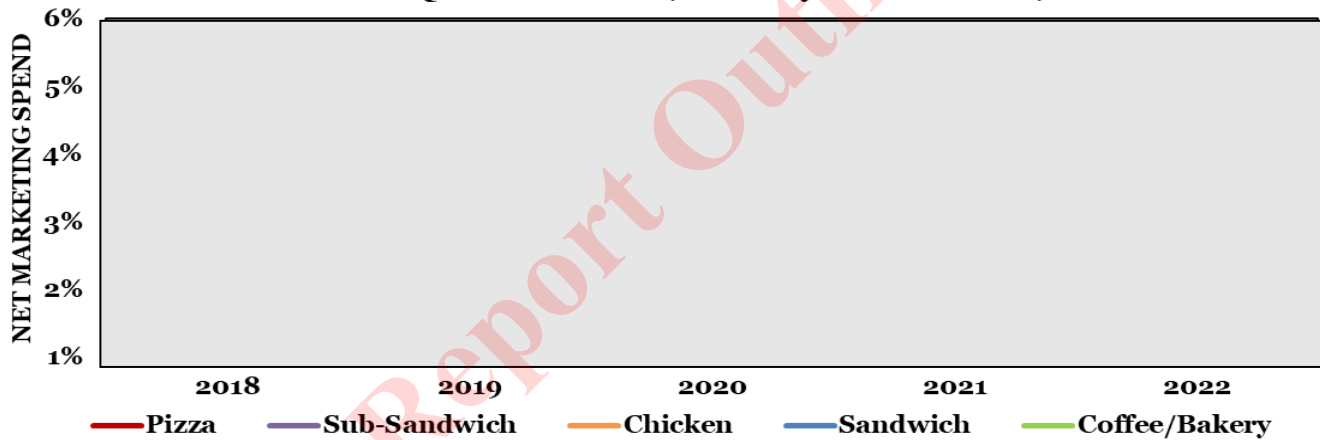
¹ Digital marketing based on U.S. ad revenue for Alphabet, Meta (Facebook/Instagram/Messenger/WhatsApp), Twitter & Snap.

Changes to Marketing Allocations by Segment

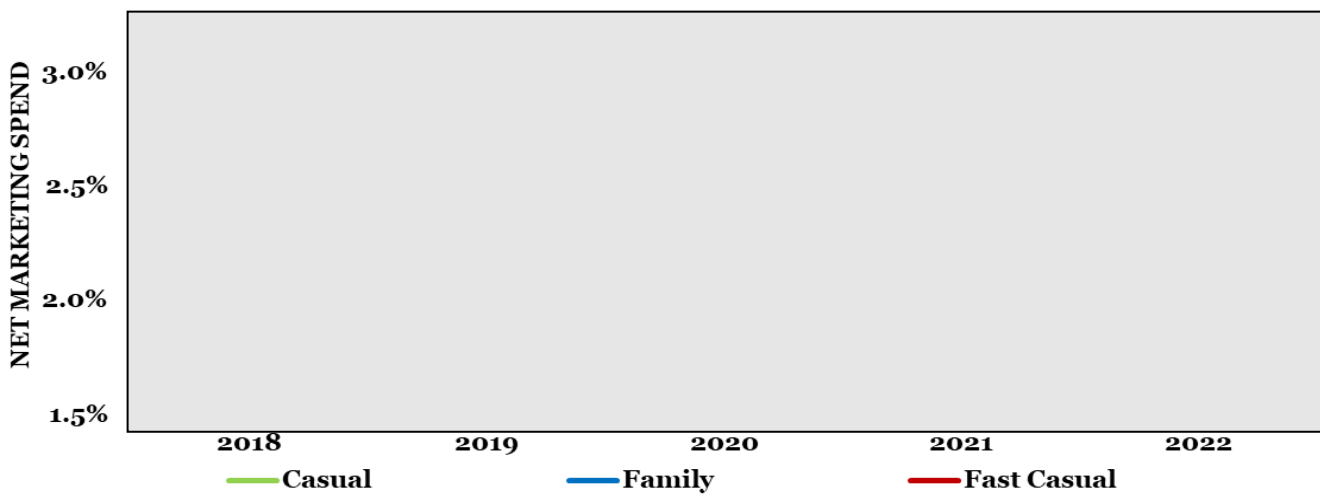
Estimated Total Marketing Spend as a % of System Sales



Estimated Total Net Marketing Spend by Segment
 \$1B+ QSR Chains (% of System Sales)



Estimated Total Net Marketing Spend by Segment
 \$1B+ FSR & Fast Casual Chains (% of System Sales)



Changes to Marketing Spend Allocations (2022 – 2023)

Changes to Marketing Allocations					
Chain	Effective Date	National	Local/ Co-op	Net Budget Impact	Incremental 2022 Franchisor Contributions
Burger King ⁽¹⁾					
Chili's ⁽²⁾					
Domino's ⁽³⁾					
Firehouse Subs ⁽⁴⁾					
Little Caesars ⁽⁵⁾					
Moe's ⁽⁶⁾					
Panera ⁽⁷⁾					
Qdoba ⁽⁸⁾					
TGI Friday's ⁽⁹⁾					
Wendy's ⁽¹⁰⁾					
Wingstop ⁽¹¹⁾					

Report Outline

\$1B+ Chain Marketing Summary (Ranked by Estimated 2022 U.S. Net Marketing Spend)

Chain	Gross Store Level Marketing Contributions				Incremental Franchisor Contributions	Total Marketing Admin ⁽¹⁾	2022 Net Marketing Spend	
	National/ Brand Fee	Local/ Co-op	Support/ Admin.	Total Gross			% of Sales	Spend (\$ MM)
Applebee's								
Buffalo Wild Wings								
Outback								
Olive Garden								
Red Robin								
LongHorn								
Texas Roadhouse								
BJ's Restaurants								
T.G.I. Friday's								
Cheesecake Factory								
Chili's Grill & Bar								
Casual								
Chipotle								
Panera Bread								
Moe's Southwest Grill								
Qdoba								
Fast Casual								
IHOP								
Cracker Barrel								
Denny's								
Golden Corral								
Perkins								
Family								
Total								

(1) Total marketing administrative expense = mandated support/administrative fees + total national/brand fund production/administrative expenses (included in the gross national/brand fee % requirement).

Net Marketing Spend \$MM by Chain (2018 - 2022)
Ranked by \$ Change in Estimated 2022 U.S. Net Marketing Spend

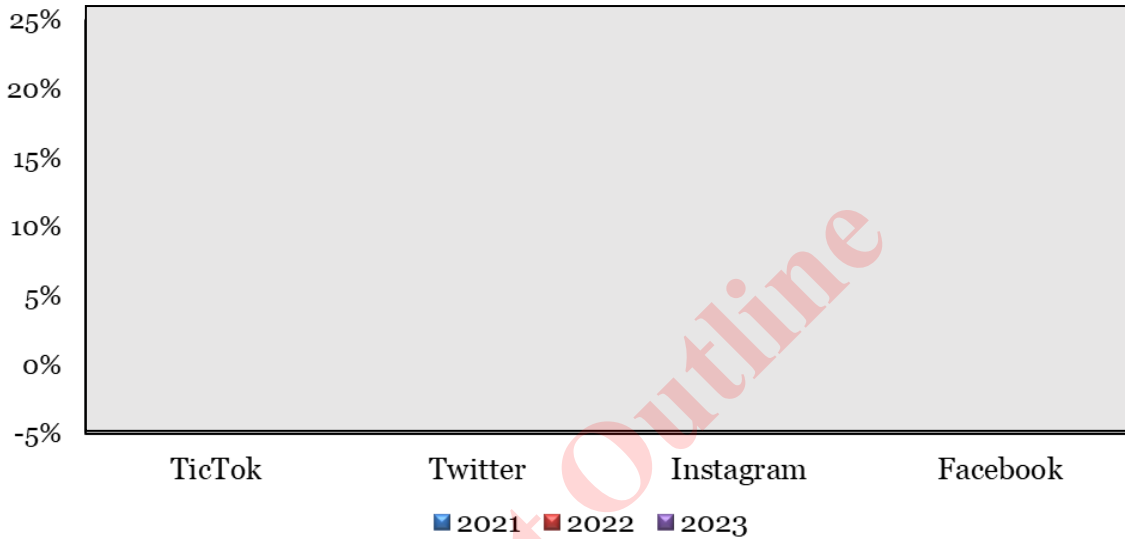
Chain	Net Marketing Spend \$ Millions					Net Marketing Spend % System Sales					Change '22/'21	
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	\$ Spend	% Spend
Applebee's												
BJ's Restaurants												
Texas Roadhouse												
Cheesecake Factory												
Buffalo Wild Wings												
Outback												
Red Robin												
T.G.I. Friday's												
Olive Garden												
Chili's Grill & Bar												
LongHorn												
Casual												
Panera Bread												
Chipotle												
Moe's Southwest Grill												
Qdoba												
Fast Casual												
Cracker Barrel												
Golden Corral												
IHOP												
Denny's												
Perkins												
Family												
Total												

Report Outline

Social Media Stats

-
-

\$1B+ Chains Y/Y Growth in Followers



\$1B+ Chains 2023 y/y Follower Growth

Segment	TicTok	Twitter	Instagram	Facebook
Chicken				
Coffee/Bakery				
Family				
Sandwich				
Fast Casual				
Casual				
Sub-Sandwich				
Pizza				



Restaurant Research Coverage

Concept Reports	Industry Data Reports
Applebee's Arby's Burger King Carl's Jr. Chili's Grill & Bar Church's Denny's Domino's Hardee's IHOP Jack in the Box KFC McDonald's Panera Bread Papa John's Pizza Hut Popeyes Sonic Drive-In Subway Taco Bell Wendy's	Restaurant Lending & 2nd Half Unit Valuations Ad Spending Menus & Promotions Unit Growth & Sales Analysis Unit Economics 1st Half Unit Valuations & Lending Update New Build Costs & Franchise Fees Remodeling
	Databases & Special Reports
	RR Databook (Annual Data Summary 50+ Chains) RR LTO Overview (Monthly Promotions 50+ Chains) FDD Library (40+ Chains) Concept Updates (Quarterly 20+ Public Chains) Same Store Sales Database (Quarterly 25+ Chains) New Store ROI Model SBA Lending Database
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