



Behind the Counter

QSR Trends, Challenges & Opportunities

Why we're here.

It's no secret that the foodservice landscape is in a state of flux. But one channel, Quick-Service Restaurants (QSRs), is rising to the occasion, taking advantage of the situation with an infrastructure that allows them to be reliable, accessible and convenient.

We're going to roll up our sleeves and jump behind the counter to share some practical knowledge to help your restaurant continue to thrive in this new environment.

What you'll find inside:

- State of QSRs
- Shifting daypart trends & opportunities
- Snacking trends & opportunities
- Off-premise trends & opportunities
- McCain products that deliver



What's trending and why.



Dayparts blurring. There's been a shift in the time consumers visit QSRs and why snacking is the key to growth.



New ways to drive traffic. LTOs, value bundles/menus, and even meal kits and other promotions are driving traffic.



Optimizing off-premise. In our new, socially distanced world, it's more important than ever to optimize drive-thrus, takeout, curbside and delivery.

Turning today's challenges into tomorrow's opportunities.

Here are ways operators are creating more opportunities to meet consumer needs and build profit:

- Streamlining menus and limiting new items
- Flexing products across the menu
- Reducing labor
- Finding new ways to drive traffic with LTOs and new promotions, like meal kits
- Capitalizing on social media
- Promoting off-premise as a safe dining choice



"The COVID-19 pandemic took us all by surprise, and its impact on the restaurant industry has been significant ... quickly reminding us all that the key to continued success is being nimble, innovative and adaptive."

– Phil Russo, Captain D's, QSR Magazine

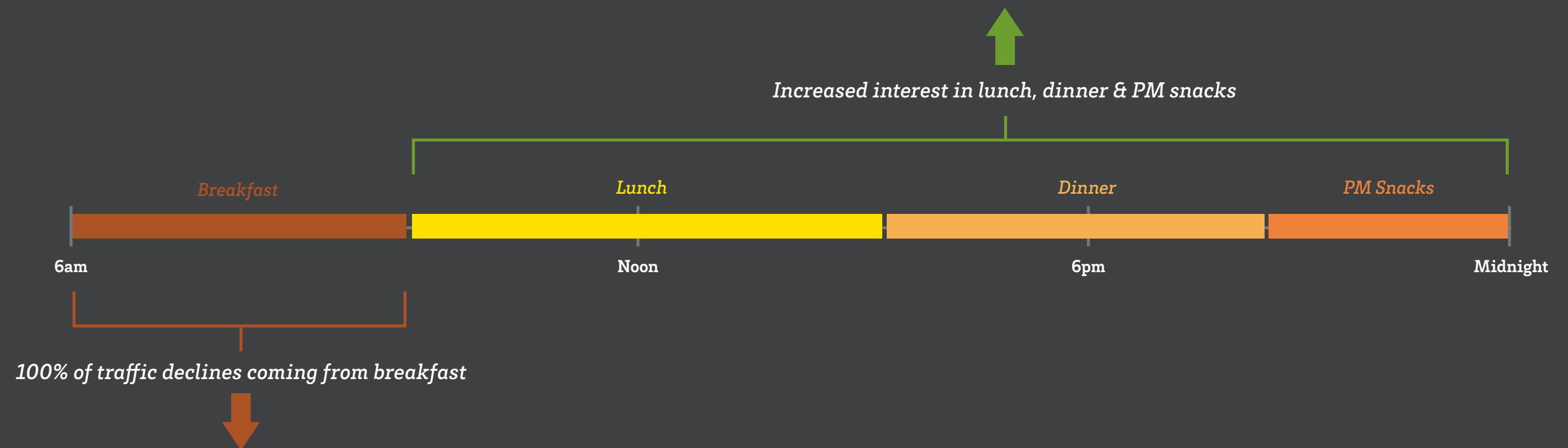


Behind the Counter:

Shifting Daypart Trends & Opportunities

Today, it's about more than just breakfast and lunch.

Compared to previous years, breakfast isn't what it used to be. And while lunch is holding its own, shifting patterns show an increase in dinner and late-night snacking.



Source: NPD CREST 3 Months Ending Aug'20

Dinner traffic is picking up. Lunch is holding steady, driving traffic to later in the day.

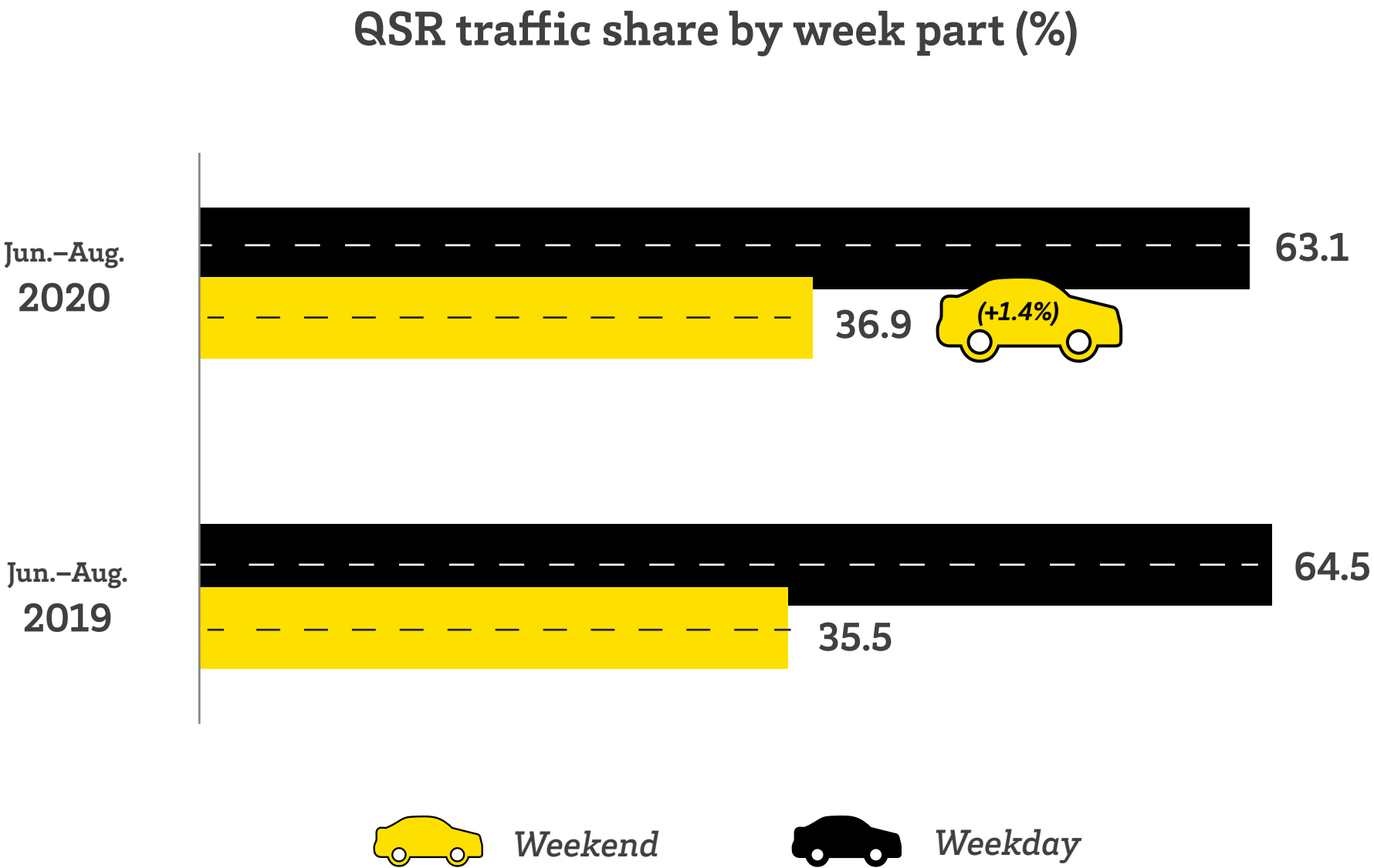
Here are some reasons why this is happening:

- **Convenience:** In the current do-everything-at-home situation, schedules are less structured and QSRs are the perfect *"there when I need it"* option.
- **Value:** An important factor during an economic downturn.
- **Family Meals & Bundles:** After a long day, dinner made simple is the easiest answer for every family.
- **Takeout:** Curbside and drive-thru provide easy and, most importantly, safe options to get a meal.
- **Variety:** Menus with different options offer something everyone can enjoy.
- **Escape:** Consumers are turning to QSRs for lunch as an escape during their busy days.



TGIWeekend.

These days, QSRs are busier than ever on weekends. People are using them as a destination for families or as part of a night in with their significant other.

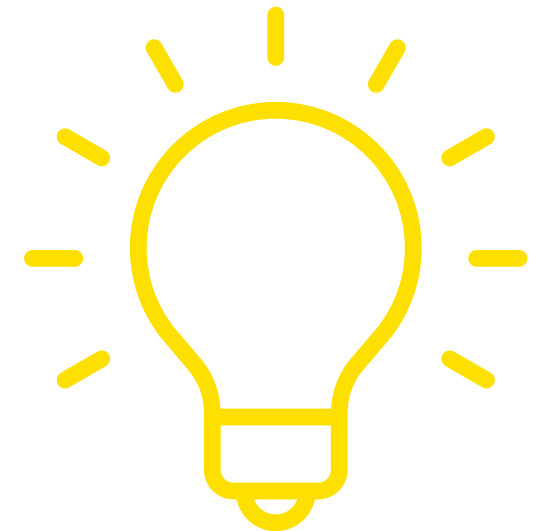


Source: NPD CREST 3 Months Ending Aug'20

When dayparts zig, you have to zag.

Success starts by being flexible and ready to adapt to any situation. Here are a few ideas that will help:

- Explore innovative menu opportunities.
 - Meal kits, like Taco Bell's at-home taco bar, are a quick and easy dinner solution for families.
 - Make it about innovation that meets consumer demands, not pricing.
 - Try using existing products in new and unique ways, like adding cheese, chili or both to your fries.
- Drive weekday traffic with lunch and dinner promotions.
- Deliver crave-able, affordable products.
- Look for products that travel well.
- Check your portioning/pricing against the competition.

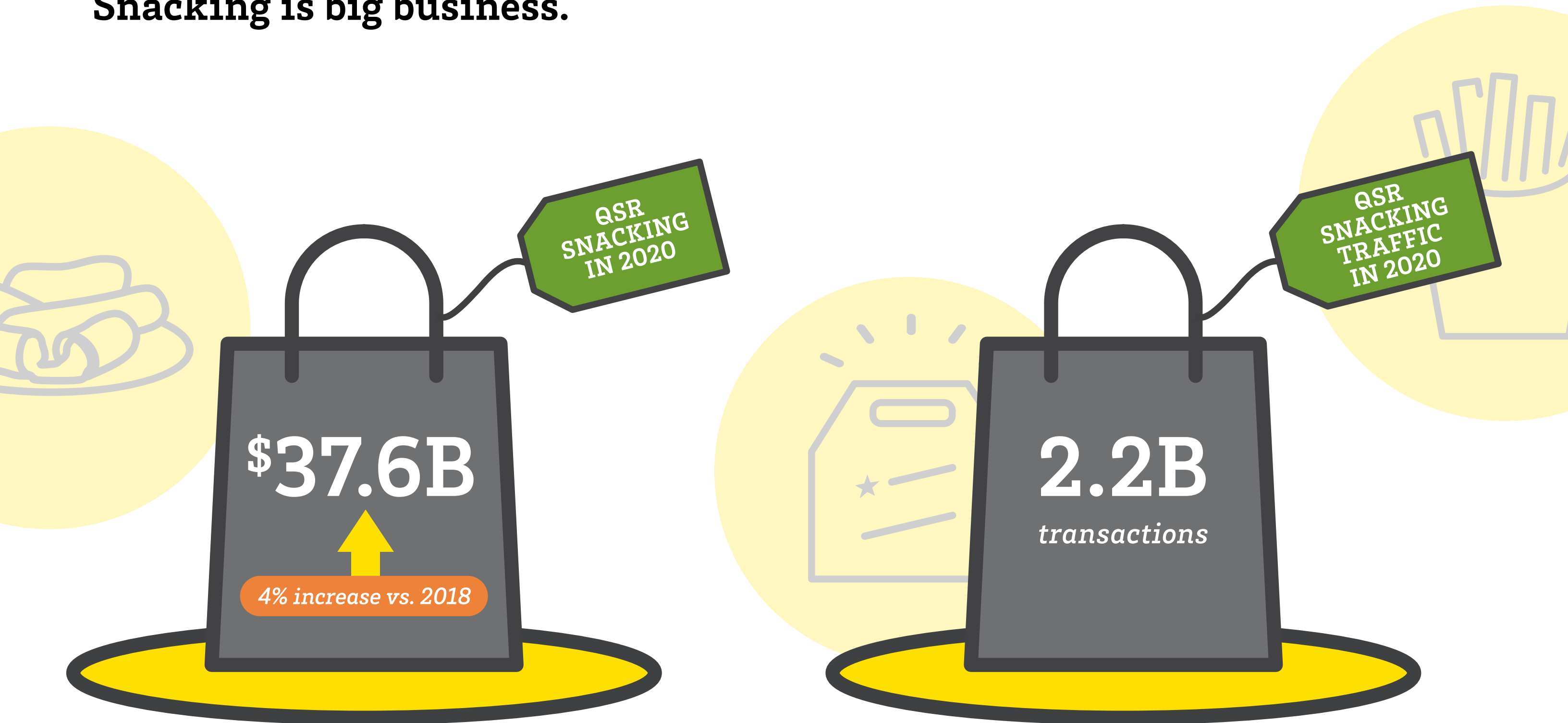




Behind the Counter:

Snacking Trends & Opportunities

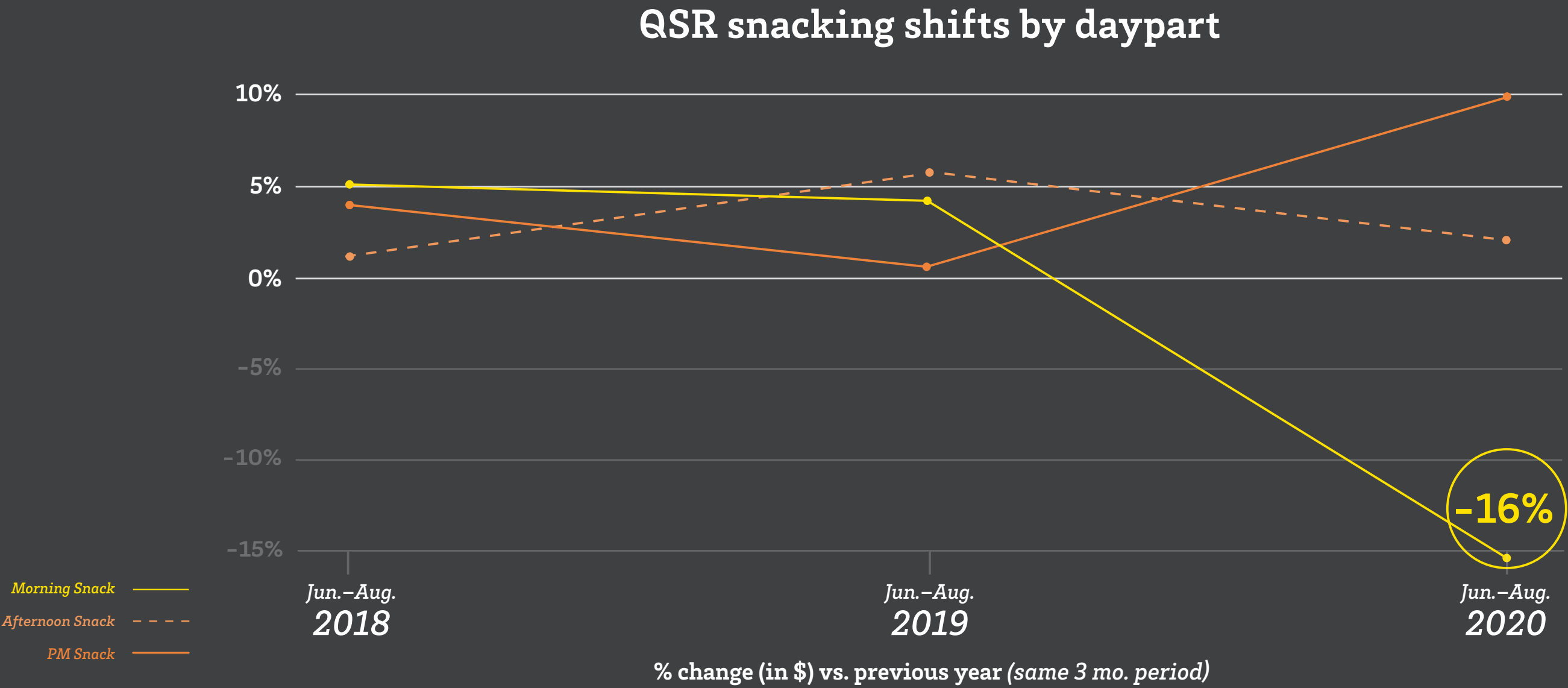
Snacking is big business.



Source: NPD CREST 3 Months Ending Aug'20

Afternoon and evening snacking are leading the way.

Since the start of the coronavirus pandemic, afternoon and evening snacking have shown signs of growth.



Source: NPD CREST 3 Months Ending Aug'20

Snacks are becoming stars of their own.

These days, focusing on your snack menu is more important than ever. Here are some options that stand out on QSR menus from coast to coast.

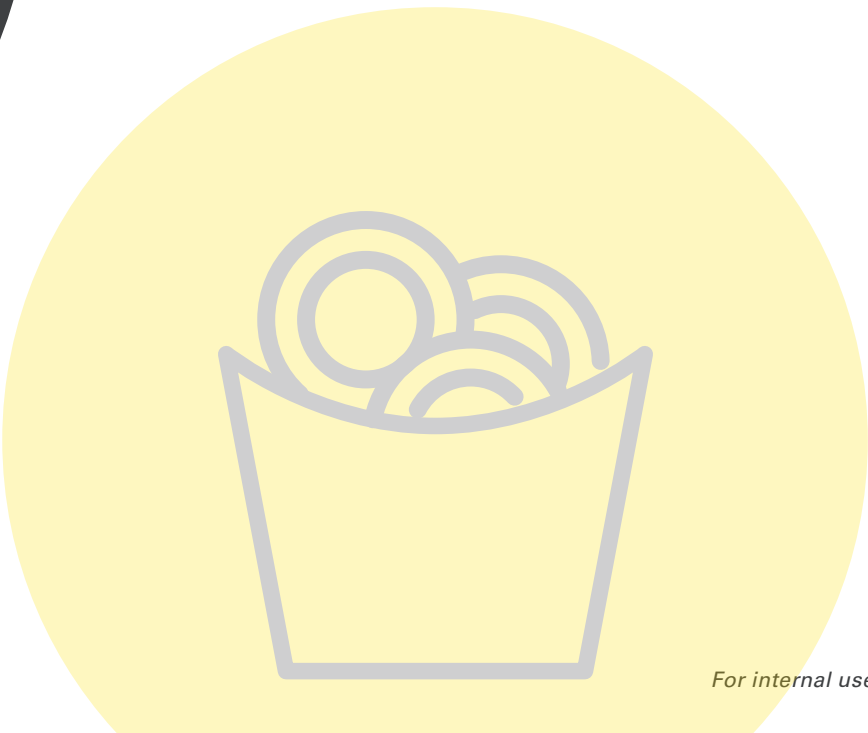
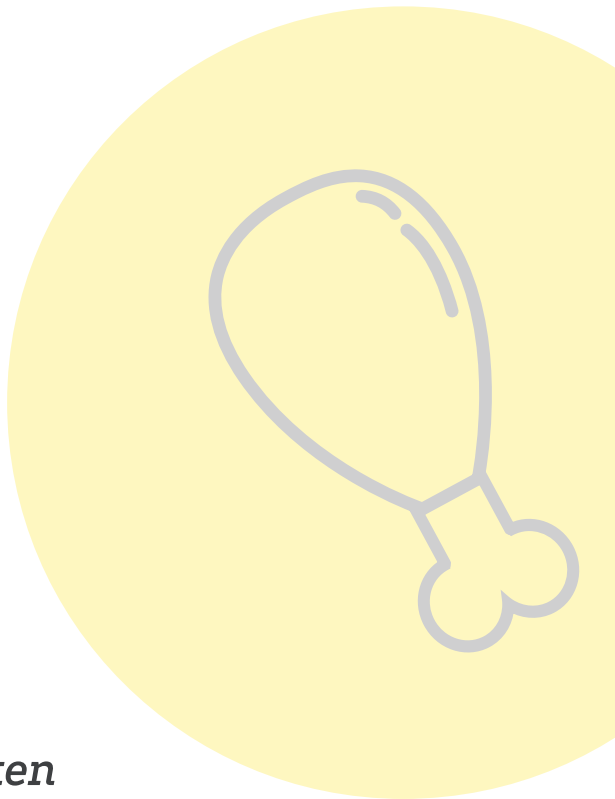


+1.2

Total QSR Snacks Menu Importance:*

Top-growing snacks:

- ★ *Wings* → Growth driven by QSR Pizza
- ★ *Onion Rings* → Growth driven by QSR Chicken
- ★ *Chicken Nuggets*
- ★ *Onion Strings/Flowers*
- ★ *Fried Stuffed Jalapeños*
- ★ *Nachos*
- ★ *Fried Cheese*



*Menu Importance = Servings/Traffic
Source: The NPD Group/CREST®, MAM'20

Your customers want snacks.



Days and times are blurring. That's why restaurants are providing consumers with options that are smaller, less expensive and more convenient to drive traffic and boost profits.

People are commuting less these days and they're staying up later. That means more opportunities to snack after dinner and later into the evenings.



QSRs are innovating with indulgent comfort foods in the form of handheld items that are ideal for snacking.

Capitalize on snacking.

Snack time is now in the spotlight. Here's how to take advantage of this new situation.

- Offer items that are right for snacking.
- Add new, easy-to-prepare menu items as a way to streamline and optimize.
- Promote familiar, crave-able items.
- Offer menu products that satisfy late-night cravings.
- Promote side items as snacks.
- Spice up your menu by considering new sauces.
- Look at the large chains and how they're inspiring unexpected menu opportunities. Subway is bringing back its \$5 footlong. Taco Bell is reviving breakfast.



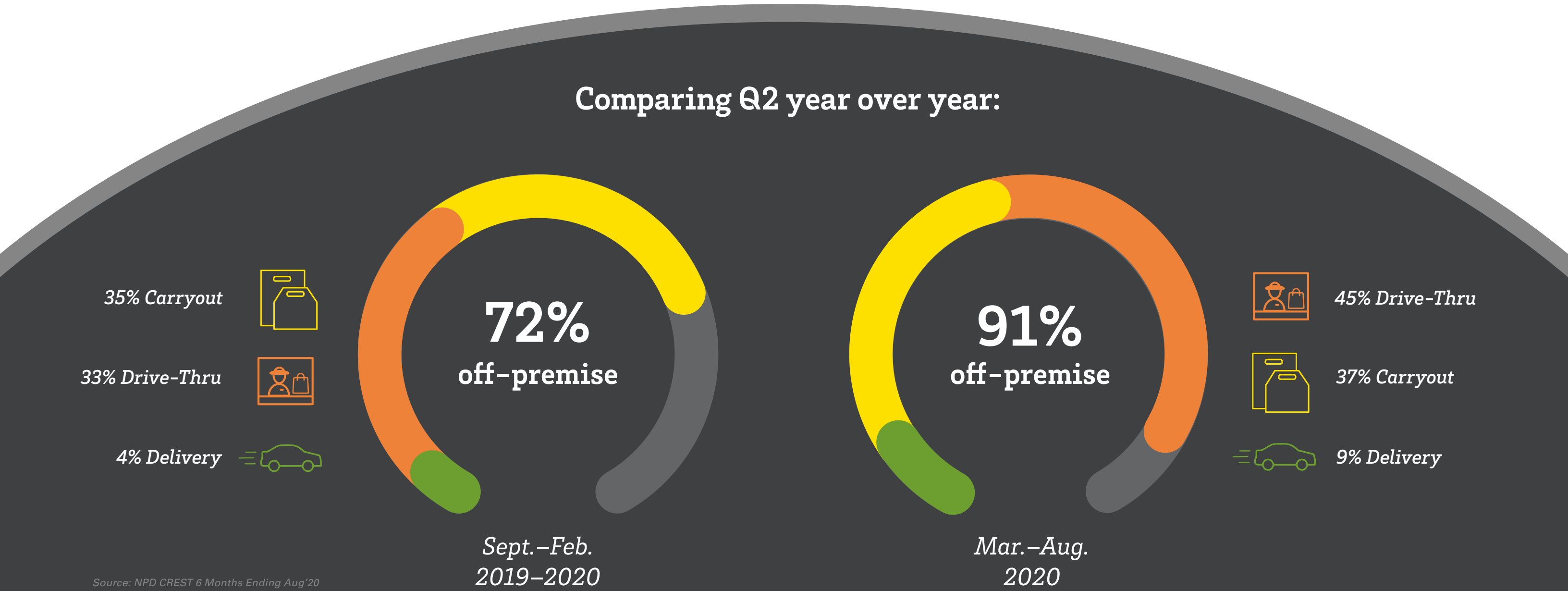


Behind the Counter:

Off-Premise Trends & Opportunities

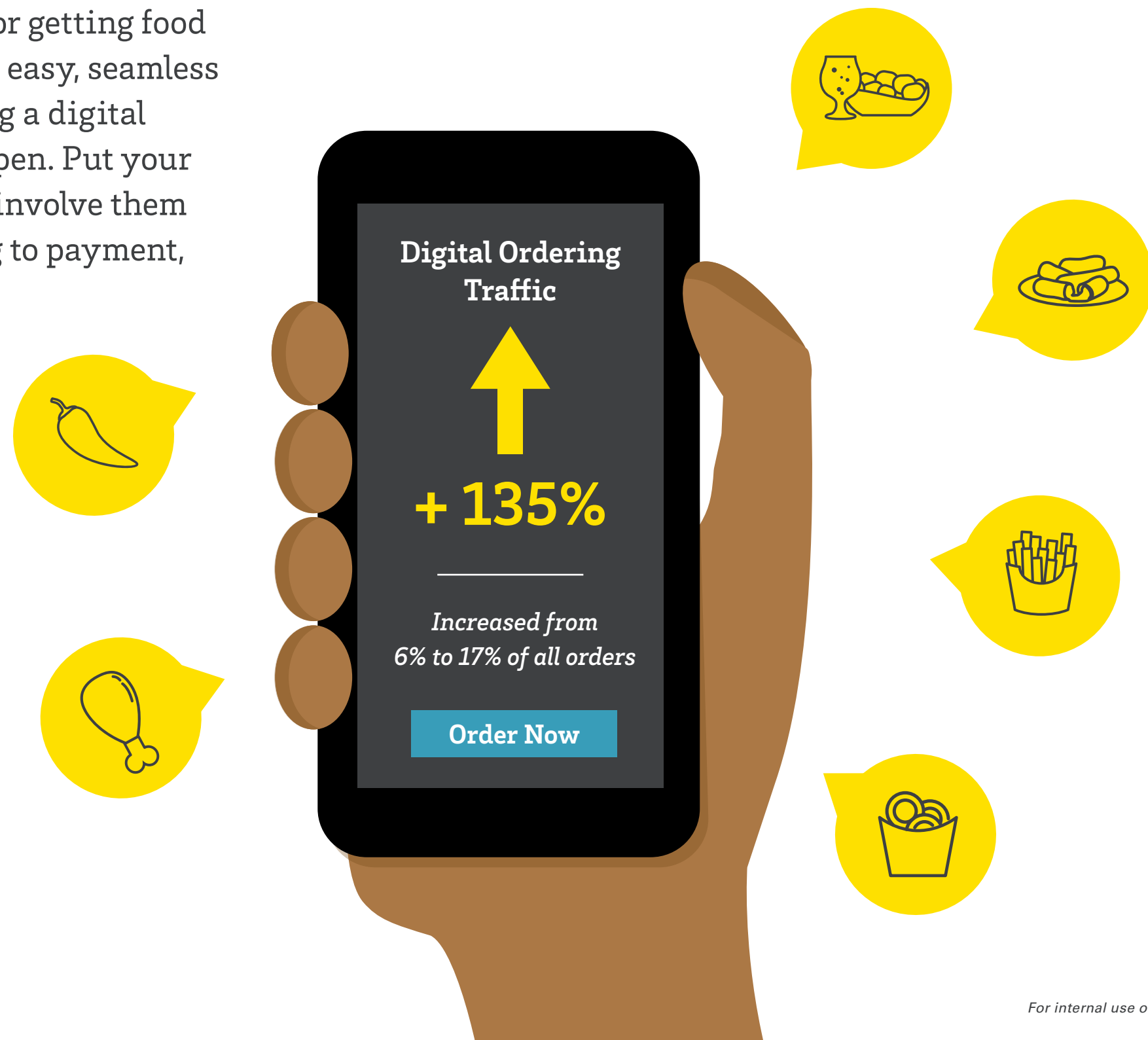
Dashboard turned dining room.

In 2020, consumers are looking at their cars as an accessible, convenient and safe option to pick up and enjoy a meal off-premise.



Digital ordering is more important than ever.

Whether they're picking up meals or getting food delivered, your consumers want an easy, seamless and contactless experience. Having a digital ordering process allows this to happen. Put your consumers in the driver's seat and involve them in the entire process, from ordering to payment, all in the palm of their hand.



Source: The NPD Group CREST June 2020

Continue to deliver the off-premise experience.

Improving off-premise capabilities has become more than just a goal; it's become essential to keep your businesses in business.

- Drive-thru, curbside, takeout and delivery are critical in the new, socially distanced world we live in.
- Because of the off-premise model QSRs operate, it's enabled your restaurant to stay top of mind in consumers' consideration set.
- Even though delivery isn't accelerating as fast as curbside or drive-thru, it remains a critical channel.
- Standards are shifting for feeding the family, with an increased emphasis on convenience over the experience.



Getting more from off-premise.

Maximize your drive-thru and increase check averages by upselling and promoting.

- Drive-thru optimization, mobile order/pay and contactless pickup will help your restaurant meet the off-premise demands.
- Ensure products fit the current environment, drive profit and support the demand for speedy service.
- Find products that save labor, reducing the stress on the back of house.





Behind the Counter: *McCain Products That Deliver*

Food that travels can take profits to new places: *Potatoes*



McCain® SureCrisp™ Skin-On Julienne Fries 3/16" XL (MCF05073)



McCain® Extra Crispy Shoestring Fries 1/4" L (1000004508)



McCain® SureCrisp™ Shoestring Fries 1/4" PXL (MCF03789)



McCain® Extra Crispy Regular Fries 3/8" L (1000001223)



McCain® SureCrisp™ Regular Fries 3/8" PXL (MCF03788)



McCain® Redstone Canyon® Skin-On Waffle Fries (MCL03623)



McCain® SureCrisp™ Regular Crinkle Fries 3/8" PXL (MCF03783)



McCain Ultimate® Crispy Coated Skin-On Waffle Fries (MCX239)



McCain® SureCrisp™ Skin-On Waffle Fries (1000001354)



McCain® Redstone Canyon® Skin-On Spiral Fries (MCL03622)



Food that travels can take profits to new places: *Appetizers*



Anchor® Battered Broccoli and Cheese Bites (50010129)



Moore's® Spicy Breaded Onion Straws (1000007668)



Anchor® Breaded Wisconsin Cheese Curds (1000005885)

Moore's® 5/8" Breaded Steak Cut Onion Rings (40010031)



Anchor® Spicy Breaded Wisconsin Cheese Curds (1000007891)



Moore's® 3/8" Breaded White Onion Rings (40010025)



Anchor® Poppers® Ovenable Breaded Original Cheddar Cheese Stuffed Jalapeños (30007975)

Moore's® 3/8" Breaded Homestyle Onion Rings (40010027)



Anchor® Poppers® Ovenable Breaded Cream Cheese Jalapeños (30007962)



Anchor® Mac & Cheese Wedges (50010335)



Anchor® Poppers® Breaded Cheddar Cheese & Jalapeño Popper® Bites (50010132)

Anchor® Breaded Avocado Slices (1000008390)



Moore's® 5/8" Gourmet Breaded Onion Rings (40010023)



The final word.

- Offer lunch and dinner promotions as ways to drive weekday traffic.
- Explore innovative menu opportunities.
 - *Promote meal kits (such as Taco Bell's at-home taco bar).*
 - *Make it about innovation, not pricing. Offer easy dinner solutions that meet consumer demands.*
 - *Review your menu to ensure you have items well suited for snacking.*
 - *Try using existing products in new ways. For example, add cheese or chili to waffle fries.*
- Look for ideas to meet growing off-premise demands from top QSR chains, including:
 - *Drive-thru optimization*
 - *Mobile order/pay*
 - *Contactless pickup: Help ensure consumer safety*
 - *Promote the drive-thru with on-premise materials and social media*
- Find product solutions that fit the current environment and ultimately drive profit, including types of products that:
 - *Support speed of service and travel well for off-premise consumption*
 - *Are simple to prepare and won't stress the back of the house*
 - *Are versatile across the menu while delivering high-profit margins*
- Check your portioning/pricing against the competition for hidden profit.





We're ready to help.



To find a McCain sales representative near you who can answer all your questions, visit us at McCainUSAFoodService.com/sales-rep-lookup

Thank you!
