

Fast Casual Restaurants - US - October 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“Due to consumers’ budgets still being constrained, fast casual restaurants must find a way to provide more value in order to justify higher prices. This value proposition includes quality items and upscale yet casual experience at an affordable price. Corporate responsibility initiatives will play an increasingly important role, as will deals meant to promote trial and build loyalty.”

– Bethany Wall, Foodservice Analyst

This report looks at the following areas:

- How fast casuals provide value through quality to justify higher prices
- The corporate responsibility initiatives that resonate most with consumers

Fast casual restaurants are a fast-growing segment that branches many cuisine types from bakery cafés and delis to Mexican, better burger, and now pizza. Since these restaurants tend to be clustered around more urban and suburban settings, many do not participate in national advertising. How does a fast casual obtain and maintain customers effectively? Must it participate in corporate responsibility to stand out and be successful? If so, which activities are most important? What is it about fast casuals that set them apart from other restaurant segments? While their quality is higher than quick service restaurants and value is better than casual dining, is value focused on flavors and health?

This report builds on the analysis presented in Mintel's *Fast Casual Restaurants—U.S., October 2012*, as well as the October 2011, August 2010, September 2009, and August 2008 reports of the same title.

BUY THIS
REPORT NOW

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

APAC
+61 (0) 2 8284 8100

EMAIL:
oxygen@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Fast Casual Restaurants - US - October 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Scope and Themes

- What you need to know
- Definition
- Data sources
- Market size and forecast
- Consumer survey data
- Abbreviations and terms
- Abbreviations
- Terms

Executive Summary

- Market size and forecast
 - Figure 1: Total US sales and fan chart forecast of fast casual restaurants, at current prices, 2008-18
- Market drivers and competition
- Insights and opportunities
- Marketing strategies
- Menu analysis
 - Figure 2: Food items by menu section at fast casual restaurants, by incidence, Q2 2010-13
 - Figure 3: Top 10 geographical claims for food at fast casual restaurant menus, by incidence, Q2 2010-13
- The consumer
 - Figure 4: Drivers for fast casual restaurants, July 2013
 - Figure 5: Effectiveness of deals at fast casual restaurants, July 2013
 - Figure 6: Important value-added attributes of fast casual restaurants, July 2013
- What we think

Issues and Insights

- How fast casuals provide value through quality to justify higher prices
 - Issues
 - Insights
- How fast casuals build brand loyalty among consumers
 - Issues
 - Insights
- The corporate responsibility initiatives that resonate most with consumers
 - Issues
 - Insights

Trend Applications

- Trend: Moral Brands
- Trend: Factory Fear

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
 CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
 EMAIL: oxygen@mintel.com

Fast Casual Restaurants - US - October 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Mintel Futures: Human

Market Size and Forecast

Key points

Market size insight

Sales and forecast of fast casual restaurants

Figure 7: Total US sales and forecast of fast casual restaurants, at current prices, 2008-18

Figure 8: Total US sales and forecast of fast casual restaurants, at inflation-adjusted prices, 2008-18

Fan chart forecast

Figure 9: Total US sales and fan chart forecast of fast casual restaurants, at current prices, 2008-18

Market Drivers

Availability of capital

Economic indicators

Figure 10: Changes in behavior at fast casual restaurants, by increased behavior, July 2013

Rising commodity prices

Calorie disclosure legislation

Food allergies

Gluten-free claims defined by government

Healthy diet and active lifestyle

Millennials drive usage

Competitive Context

Quick service restaurants

Full-service restaurants

Grocery stores

Food trucks

Convenience stores

Fast casual restaurants

Featured Companies

Altruistic concepts

BFY

Grilled cheese concepts

American concepts

Asian concepts

Other concepts

Innovations and Innovators – Menu Items

Upscale items

Unique protein

Customization

Sandwiches

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Fast Casual Restaurants - US - October 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Beverages
Alcohol offerings
LTOs

Innovations and Innovators – BFY

Calories
Gluten free
Freshness
Functional
Local sourcing
Healthful protein

Innovations and Innovators – Operational

Treatment of people
Mobile technology
Eco-friendly
Renovations
In-store technology

Marketing Strategies

Overview of the brand landscape
Visual media
Out of home
Social media
Sweepstakes and contests
Retail items
Entertainment and sponsorships
Causes and charitable programs
Local community involvement

Coupons and Loyalty Programs

Freebies
Loyalty programs
Figure 11: Drivers for fast casual restaurants, by more deals, July 2013

Menu Analysis – Food Analysis

Segment overview
Figure 12: Segment breakdown of food menu items, by incidence, Q2 2010-13
Menu sections
Figure 13: Food items by menu section at fast casual restaurants, by incidence, Q2 2010-13
Geographical claims
Figure 14: Top 10 geographical claims for food at fast casual restaurant menus, by incidence, Q2 2010-13
Marketing claims

BUY THIS
REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
EMAIL: oxygen@mintel.com

Fast Casual Restaurants - US - October 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 15: Top 10 marketing claims for food at fast casual restaurants, by incidence, Q2 2010-13

Nutritional claims

Figure 16: Top 10 nutritional claims for food at fast casual restaurants, by incidence, Q2 2010-13

Menu Analysis – Drink Items

Segment overview

Figure 17: Segment breakdown of non-alcoholic beverage menu items, by incidence, Q2 2010-13

Menu items

Figure 18: Top 10 beverage item types at fast casual restaurants, by incidence, Q2 2010-13

Marketing claims

Figure 19: Top 10 marketing claims for beverage items at fast casual restaurants, by incidence, Q2 2010-13

On-premise alcohol overview

Figure 20: Segment breakdown of alcoholic beverage menu items, by incidence, Q2 2010-13

On-premise alcohol items

Figure 21: Top 10 alcoholic beverage types at fast casual restaurants, by incidence, Q2 2010-13

Consumer Trends Overview

Key points

The most popular fast casuals are pizza, burger, and Mexican concepts

Figure 22: Fast casual restaurant usage and dayparts, July 2013

Figure 23: Fast casual restaurant usage and dayparts – Nets, July 2013

Consumers are cooking more at home and visiting fast casuals less

Figure 24: Changes in behavior at fast casual restaurants, July 2013

People select fast casuals by variety of items, freshness, and convenience

Figure 25: Drivers for fast casual restaurants, July 2013

Consumers are encouraged by BOGOs, printed coupons, and daily specials

Figure 26: Effectiveness of deals at fast casual restaurants, July 2013

Food safety and treatment of employees is of top importance to consumers

Figure 27: Important value-added attributes of fast casual restaurants, July 2013

Consumer behavior at fast casual restaurants

Figure 28: Consumer behavior at fast casual restaurants, July 2013

Consumer Trends by Daypart

Key points

Usage behavior and cross-over opportunities between dayparts

Figure 29: Fast casual restaurant usage and dayparts, by daypart usage, July 2013

Figure 30: Dayparts restaurant usage, by daypart usage, July 2013

Breakfast users have increased their usage of coupons at fast casuals

Figure 31: Changes in behavior at fast casual restaurants—More, by daypart usage, July 2013

Breakfast users indifferent to combos; late night users seek portion options

Figure 32: Drivers for fast casual restaurants, by daypart usage, July 2013

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Fast Casual Restaurants - US - October 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Breakfast users like online coupons; late night users like mobile coupons

Figure 33: Effectiveness of deals at fast casual restaurants, by daypart usage, July 2013

Dinner users find nutritional claims, charity, and cause marketing important

Figure 34: Important value-added attributes of fast casual restaurants, by daypart usage, July 2013

Dinner users are least likely to use deals, while late night users find frequent visits too expensive

Figure 35: Consumer behavior at fast casual restaurants, by daypart usage, July 2013

Consumer Trends by Gender

Key points

Men lead in usage of fast casual restaurants

Figure 36: Fast casual restaurant usage and dayparts, by gender, July 2013

Figure 37: Dayparts restaurant usage, by gender, July 2013

Women are eating healthier at fast casuals, but also cooking at home more

Figure 38: Increases in behavior at fast casual restaurants, by gender, July 2013

Women prefer fresh ingredients and healthfulness; men prefer fast service

Figure 39: Drivers for fast casual restaurants, by gender, July 2013

Women are more likely than men to use printed coupons

Figure 40: Effectiveness of deals at fast casual restaurants, by gender, July 2013

Women are more likely than men to find value-added attributes important

Figure 41: Important value-added attributes of fast casual restaurants, by gender, July 2013

Women are influenced by deals, while men visit often due to their routines

Figure 42: Consumer behavior at fast casual restaurants, by gender, July 2013

Consumer Trends by Age

Key points

Older Millennials are key users among most concept types and for dinner

Figure 43: Fast casual restaurant usage and dayparts, by age, July 2013

Figure 44: Dayparts restaurant usage, by age, July 2013

Millennials have increased fast casual usage and on-the-go snacking

Figure 45: Increases in behavior at fast casual restaurants, by age, July 2013

Young users seek speed and customization; older users value freshness

Figure 46: Drivers for fast casual restaurants, by age, July 2013

Millennials are encouraged by punch cards, LTOs, and group deals

Figure 47: Effectiveness of deals at fast casual restaurants, by age, July 2013

Millennials consider nutritional claims significant while sourcing and green packaging decrease in importance with age

Figure 48: Important value-added attributes of fast casual restaurants, by age, July 2013

Millennials are concerned with corporate responsibility of fast casuals

Figure 49: Consumer behavior at fast casual restaurants, by age, July 2013

Consumer Trends by Income

Key points

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Fast Casual Restaurants - US - October 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Likelihood of visiting a bakery café grows with income

Figure 50: Fast casual restaurant usage and dayparts, by household income, July 2013

Figure 51: Dayparts restaurant usage, by household income, July 2013

Low-income consumers are cooking at home, middle class is using more coupons, and the affluent are seeking healthy items

Figure 52: Increases in behavior at fast casual restaurants, by household income, July 2013

Poor users value speed and combo meals; middle-class users value variety and customization; the affluent value high-quality, upscale items

Figure 53: Drivers for fast casual restaurants, by household income, July 2013

The affluent prefer group deals and low-income consumers like daily deals

Figure 54: Effectiveness of deals at fast casual restaurants, by household income, July 2013

Low-income consumers more likely to find value-added attributes to be important; middle class places emphasis on nutritional claims

Figure 55: Important value-added attributes of fast casual restaurants, by household income, July 2013

Low-income groups find fast casuals too expensive for regular use, while the affluent seek out favorite brands

Figure 56: Consumer behavior at fast casual restaurants, by household income, July 2013

Consumer Trends by Race

Key points

Asians dominate fast casual usage specifically for breakfast and lunch

Figure 57: Fast casual restaurant usage and dayparts, by race origin, July 2013

Figure 58: Dayparts restaurant usage, by race, July 2013

Blacks cook at home more; Asians increase loyalty program usage

Figure 59: Increases in behavior at fast casual restaurants, by race, July 2013

Whites seek variety and convenience, while Asians look for healthfulness

Figure 60: Drivers for fast casual restaurants, by race, July 2013

Whites prefer printed coupons, Blacks like mobile ordering, and Asians are encouraged by online coupons, reward points programs, and group deals

Figure 61: Effectiveness of deals at fast casual restaurants, by race, July 2013

Blacks are more focused on community and charity, while Asians find ingredients and environmental initiatives to be important

Figure 62: Important value-added attributes of fast casual restaurants, by race, July 2013

Blacks visit brands with similar values, while Asians budget to afford visits

Figure 63: Consumer behavior at fast casual restaurants, by race, July 2013

Consumer Trends by Hispanic Origin

Key points

Hispanics use each concept type and daypart more than non-Hispanics

Figure 64: Fast casual restaurant usage and dayparts, by Hispanic origin, July 2013

Figure 65: Dayparts restaurant usage, by Hispanic origin, July 2013

Hispanics purchase more healthy meals and snack items than last year

Figure 66: Increases in behavior at fast casual restaurants, by Hispanic origin, July 2013

Hispanics are more likely driven by combo meals and gourmet ingredients

Figure 67: Drivers for fast casual restaurants, by Hispanic origin, July 2013

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Fast Casual Restaurants - US - October 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Hispanics are enticed by daily special pricing and mobile payment

Figure 68: Effectiveness of deals at fast casual restaurants, by Hispanic origin, July 2013

Hispanics look for brands that support artists, the community, and charity

Figure 69: Important value-added attributes of fast casual restaurants, by Hispanic origin, July 2013

Hispanics budget for routine visits to brands that do good for the world

Figure 70: Consumer behavior at fast casual restaurants, by Hispanic origin, July 2013

Consumer Trends by Region

Key points

Northeasterners use bakery cafés and visit for breakfast and late night, while Westerners are more likely to visit Mexican and Asian concepts

Figure 71: Fast casual restaurant usage and dayparts, by region, July 2013

Figure 72: Dayparts restaurant usage, by region, July 2013

Northeasterners have increased ordering healthy items

Figure 73: Increases in behavior at fast casual restaurants, by region, July 2013

Midwesterners find customization at fast casuals to be important

Figure 74: Drivers for fast casual restaurants, by region, July 2013

Midwesterners prefer printed coupons and Southerners like BOGO deals

Figure 75: Effectiveness of deals at fast casual restaurants, by region, July 2013

Northeasterners value fair treatment of animals, sourcing, and local artists

Figure 76: Important value-added attributes of fast casual restaurants, by region, July 2013

Northeasterners are less likely to value fast casuals over fast food restaurants, while Westerners are least likely to justify the higher prices

Figure 77: Consumer behavior at fast casual restaurants, by region, July 2013

Consumer Trends by Presence of Children

Key points

Consumers living with children visit pizza fast casuals and for snacks

Figure 78: Fast casual restaurant usage and dayparts, by presence of children in household, July 2013

Figure 79: Dayparts restaurant usage, by presence of children in household, July 2013

Consumers living with children increased spending and items purchased

Figure 80: Increases in behavior at fast casual restaurants, by presence of children in household, July 2013

Respondents that do not live with children value variety and convenience; respondents that live with children seek customization

Figure 81: Drivers for fast casual restaurants, by presence of children in household, July 2013

Respondents with children prefer online coupons, rewards points programs, mobile coupons, and mobile payment

Figure 82: Effectiveness of deals at fast casual restaurants, by presence of children in household, July 2013

Consumers living with children value artists, charity, and community

Figure 83: Important value-added attributes of fast casual restaurants, by presence of children in household, July 2013

Presence of children increases visitation of brands doing good for the world and the propensity to research corporate responsibility initiatives

Figure 84: Consumer behavior at fast casual restaurants, by presence of children in household, July 2013

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Fast Casual Restaurants - US - October 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Appendix – Other Useful Consumer Tables

- Figure 85: Fast casual restaurant usage and dayparts, by consumers who increased usage, July 2013
- Figure 86: Dayparts restaurant usage, by consumers who increased usage, July 2013
- Figure 87: Drivers for fast casual restaurants, by consumers who increased usage, July 2013
- Figure 88: Effectiveness of deals at fast casual restaurants, by consumers who increased usage, July 2013
- Figure 89: Important value-added attributes of fast casual restaurants, by consumers who increased usage, July 2013
- Figure 90: Consumer behavior at fast casual restaurants, by consumers who increased usage, July 2013
- Figure 91: Fast casual restaurant usage and dayparts, by consumers who increased eating elsewhere, July 2013
- Figure 92: Dayparts restaurant usage, by consumers who increased eating elsewhere, July 2013
- Figure 93: Changes in behavior at fast casual restaurants, by consumers who increased eating elsewhere, July 2013
- Figure 94: Drivers for fast casual restaurants, by consumers who increased eating elsewhere, July 2013
- Figure 95: Effectiveness of deals at fast casual restaurants, by consumers who increased eating elsewhere, July 2013
- Figure 96: Important value-added attributes of fast casual restaurants, by consumers who increased eating elsewhere, July 2013
- Figure 97: Consumer behavior at fast casual restaurants, by consumers who increased eating elsewhere, July 2013
- Figure 98: Fast casual restaurant usage and dayparts, by consumers who increased deal usage, July 2013
- Figure 99: Dayparts restaurant usage, by consumers who increased deal usage, July 2013
- Figure 100: Increases in behavior at fast casual restaurants, by consumers who increased deal usage, July 2013
- Figure 101: Effectiveness of deals at fast casual restaurants, by consumers who increased deal usage, July 2013
- Figure 102: Important value-added attributes of fast casual restaurants, by consumers who increased deal usage, July 2013
- Figure 103: Consumer behavior at fast casual restaurants, by consumers who increased deal usage, July 2013

Appendix – Market Drivers

Consumer confidence

- Figure 104: University of Michigan's index of consumer sentiment (ICS), 2007-13

Unemployment

- Figure 105: US unemployment rate, by month, 2002-13
- Figure 106: US unemployment and underemployment rates, 2007-13
- Figure 107: Number of employed civilians in US, in thousands, 2007-13

Food cost pressures

- Figure 108: Changes in USDA Food Price Indexes, 2011-14

Obesity

- Figure 109: American adults by weight category as determined by BMI (body mass index), 2008-June 20, 2013

Childhood and teen obesity – highest in decades

- Figure 110: Prevalence of obesity among children and adolescents aged 2-19, 1971-2010

Racial, ethnic population growth

- Figure 111: US population by race and Hispanic origin, 2008, 2013, and 2018
- Figure 112: Households with children, by race and Hispanic origin of householder, 2012

Shifting US demographics

- Figure 113: US population, by age, 2008-18
- Figure 114: US households, by presence of own children, 2002-12

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
 CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
 EMAIL: oxygen@mintel.com

Fast Casual Restaurants - US - October 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Appendix – Trade Associations

BUY THIS
REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
EMAIL: oxygen@mintel.com