

Competitive Pricing in Local Markets: Atlanta QSR Study



Does Competitive Pricing Make a Difference in Local Markets?

While QSR competitive product pricing does not fluctuate much at the national level, it's a different story in local markets. We recently launched Missions at various national and regional QSR chains in the Atlanta market including Arby's, Bojangles, Burger King, Chick-fil-A, Church's Chicken, McDonald's, and Wendy's. The goal of the Mission was to collect real-time data on the value of small, medium, and large French fries at each QSR chain.

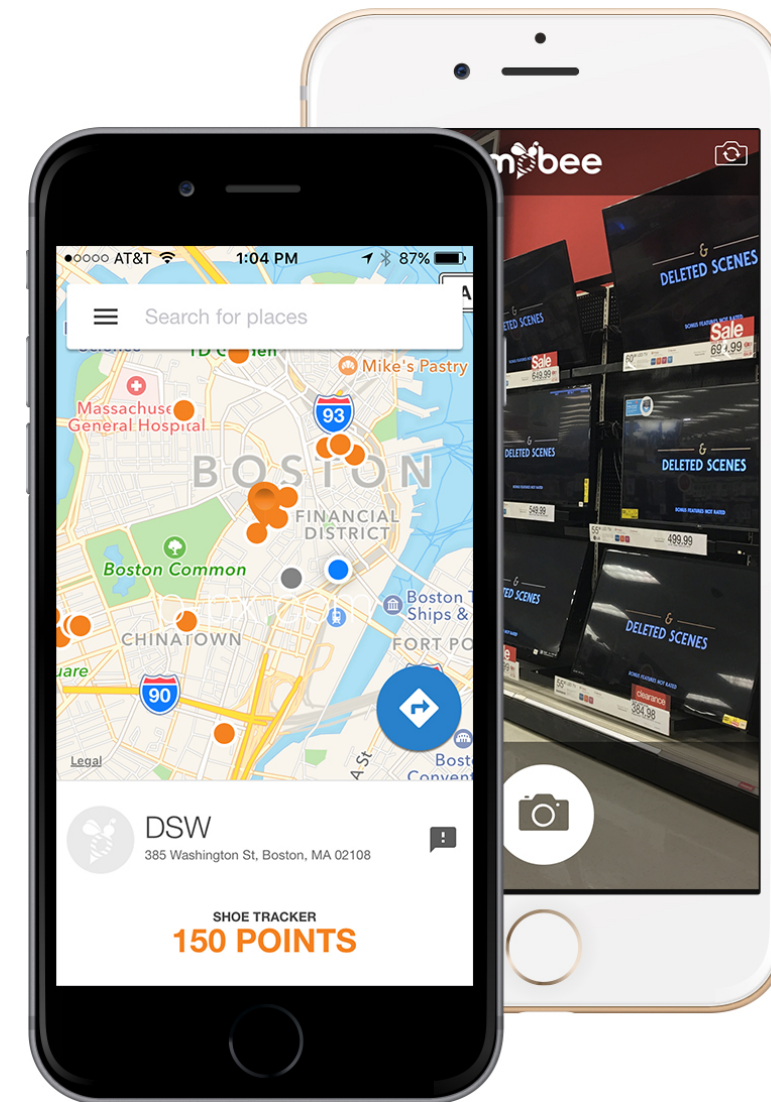
KEY FINDINGS



Chick-fil-A offered the best prices for French fries in the Atlanta market



Church's Chicken offered the best value in upgrading French fries where McDonald's offered the worst value in the Atlanta market



ABOUT WISER

Wiser is the leading provider of actionable data for better decisions. Wiser collects and analyzes online and in-store data with unmatched speed, scale and accuracy. The Wiser platform then blends these insights with advanced workflow software to drive business value for brands and retailers. Using a unique combination of data science and human validation, Wiser offers integrated solutions for every aspect of retail, all in one place.

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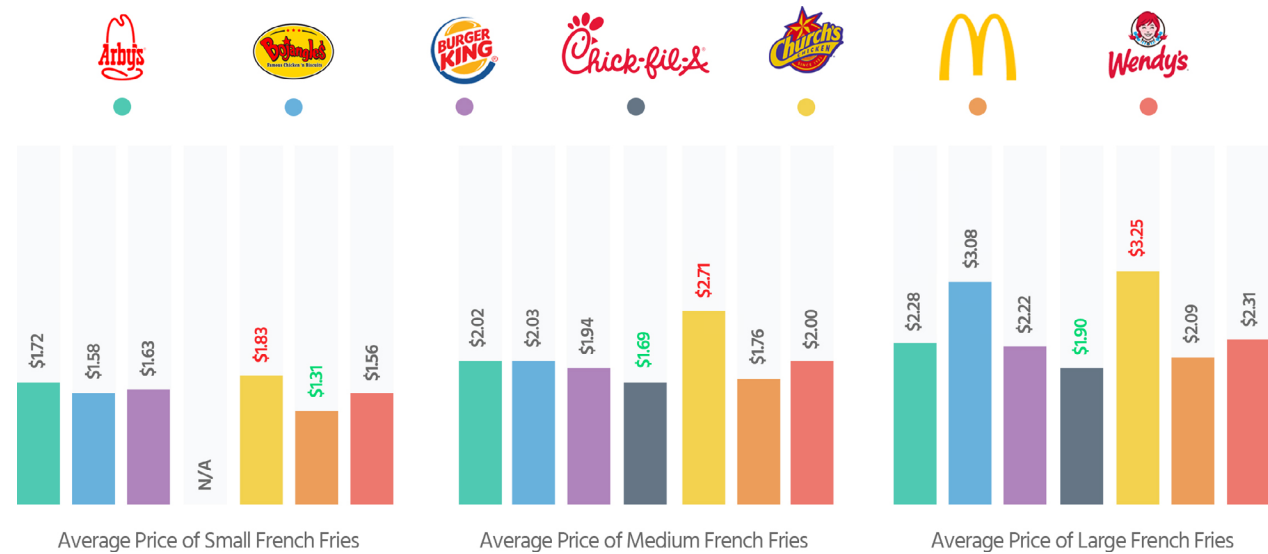
1730 S El Camino Real #500,
San Mateo, CA 94402

(855) 469-4737

www.wiser.com
info@wiser.com

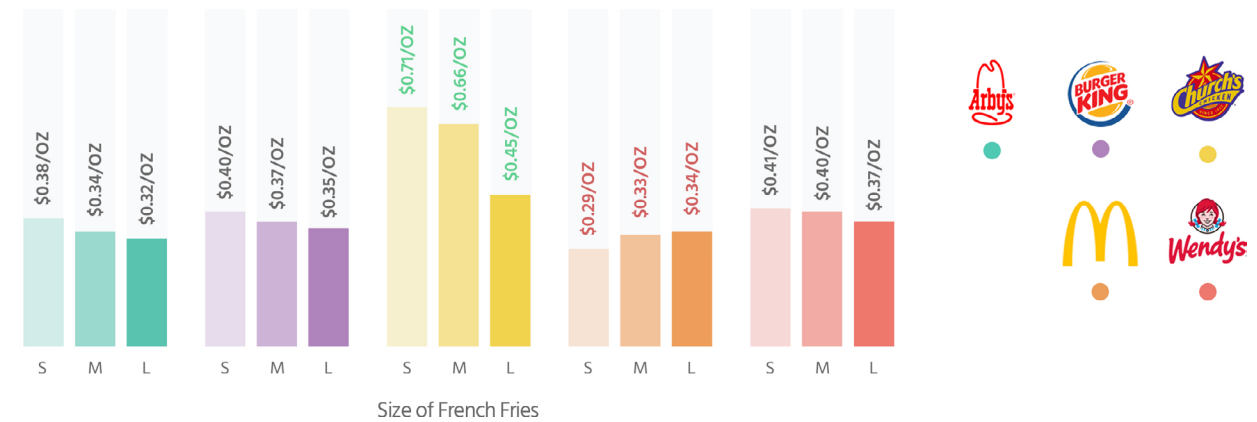
HOW WAS THE DATA COLLECTED?

The Mission was available for two days and our data was reviewed by our data validation team before it was evaluated. Our results are as follows:



01 Chick-fil-A offered the best prices for French fries in the Atlanta market

The average price spread for small, medium, and large fries ranged by \$0.52, \$1.02, and \$1.35 respectively between the seven QSR chains. Church's Chicken offered the most expensive price for any size French fry, whereas Chick-fil-A offered the cheapest prices (although they did not offer a small fry in this market).



02 Church's Chicken offered the best value in upgrading French fries where McDonald's offered the worst value in the Atlanta market

In order to maintain value for the customer, the price of French fries per ounce should decrease when upgrading from a small to large French fry. Out of the seven restaurant chains we reviewed, Chick-fil-A and Bojangles were not included in the price per ounce analysis due to a lack of appropriate data.

For the other five restaurant chains, we were able to find the ounces per French fry size available. We then took the average price of small, medium, and large French fries by QSR and divided it by the respective ounces per size per QSR.

According to this analysis, four out of the five QSRs followed our theory in presenting value to the customer by upgrading from a small to large French fry. In fact, Church's Chicken provided the best value for a customer to upgrade as indicated by the large gap between the medium and large French fry columns.

On the other hand, McDonald's was the only restaurant to lose value when upgrading to a larger French fry as indicated by a trending upward graph in orange below. By this logic, a customer would receive more for the price by ordering multiple small French fries, instead of upgrading to a large.