



Foot Traffic & Psychographics + eco stats across limited- service

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PRESENTED BY

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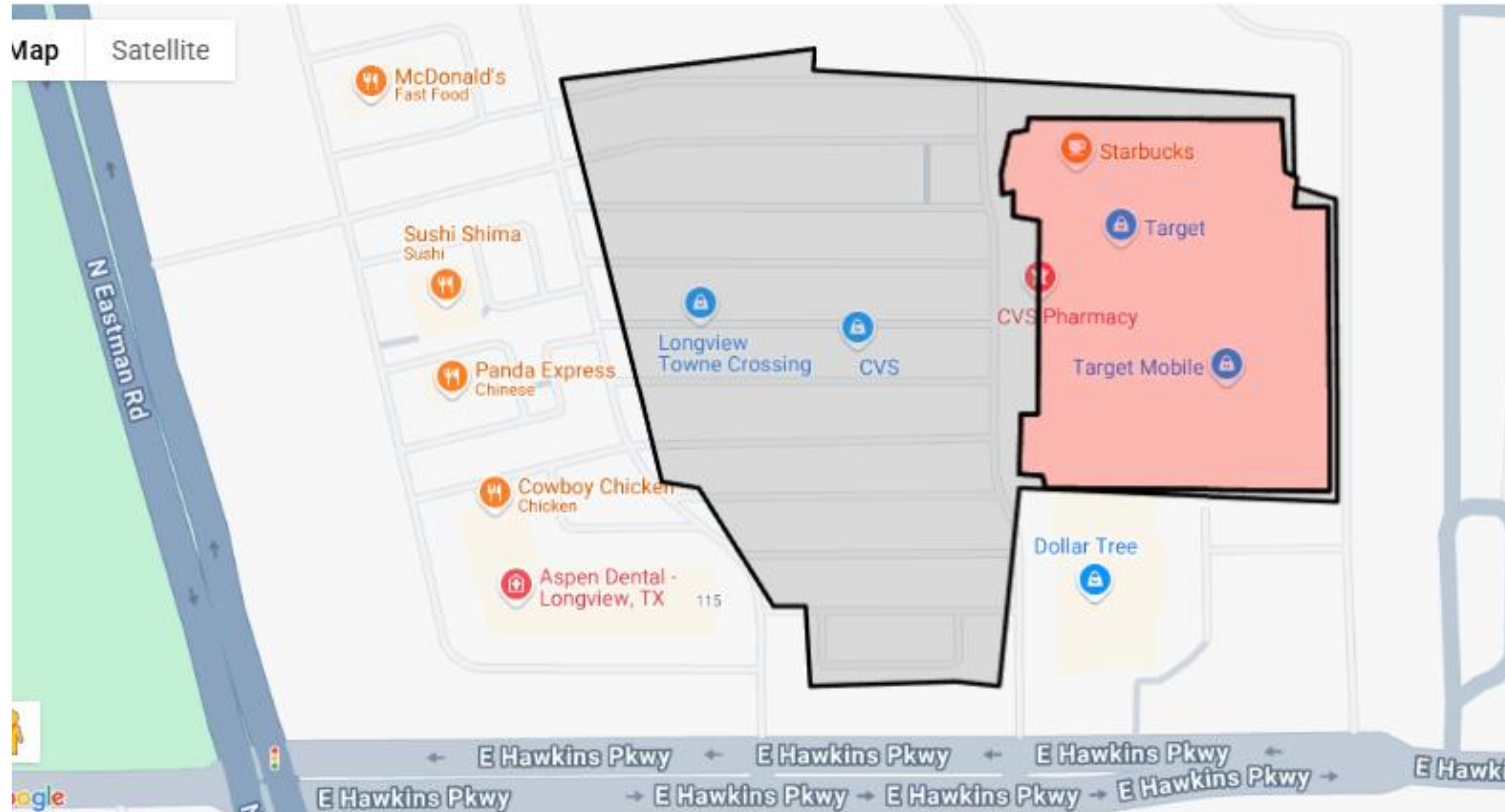
June 6th, 2025

Conclusions

- ❑ Limited-service traffic and sales are down for:
 - ✓ A cyclical reason – inflation and share-of-stomach losses to at-home consumption, and
 - ✓ A secular reason – less calorie consumption when on (and maybe off) weight-loss drugs (GLP-1)
- ❑ GLP consumers were “super eaters” (1.24X per Circana), amplifying the impact on volume / calories
- ❑ The secular trend has been obfuscated by the cyclical, volatility in the economic statistics, bumpy weather, and “hazy comparisons.”
- ❑ Like what is seen in the at-home channel, loyalty promos, deal events, and the like are spurring visits; however, those are not growing consumption. They are just resulting in deal hunting with consumers visiting more brands and locations, resulting in a decline in any given brand’s visit frequency and loyalty. This further muddles the picture.
- ❑ The above is also compressing the gross-to-net and undermining pricing power.
- ❑ Q1’s soft trend has persisted into Q2, save for coffee.

Advan Research's Data

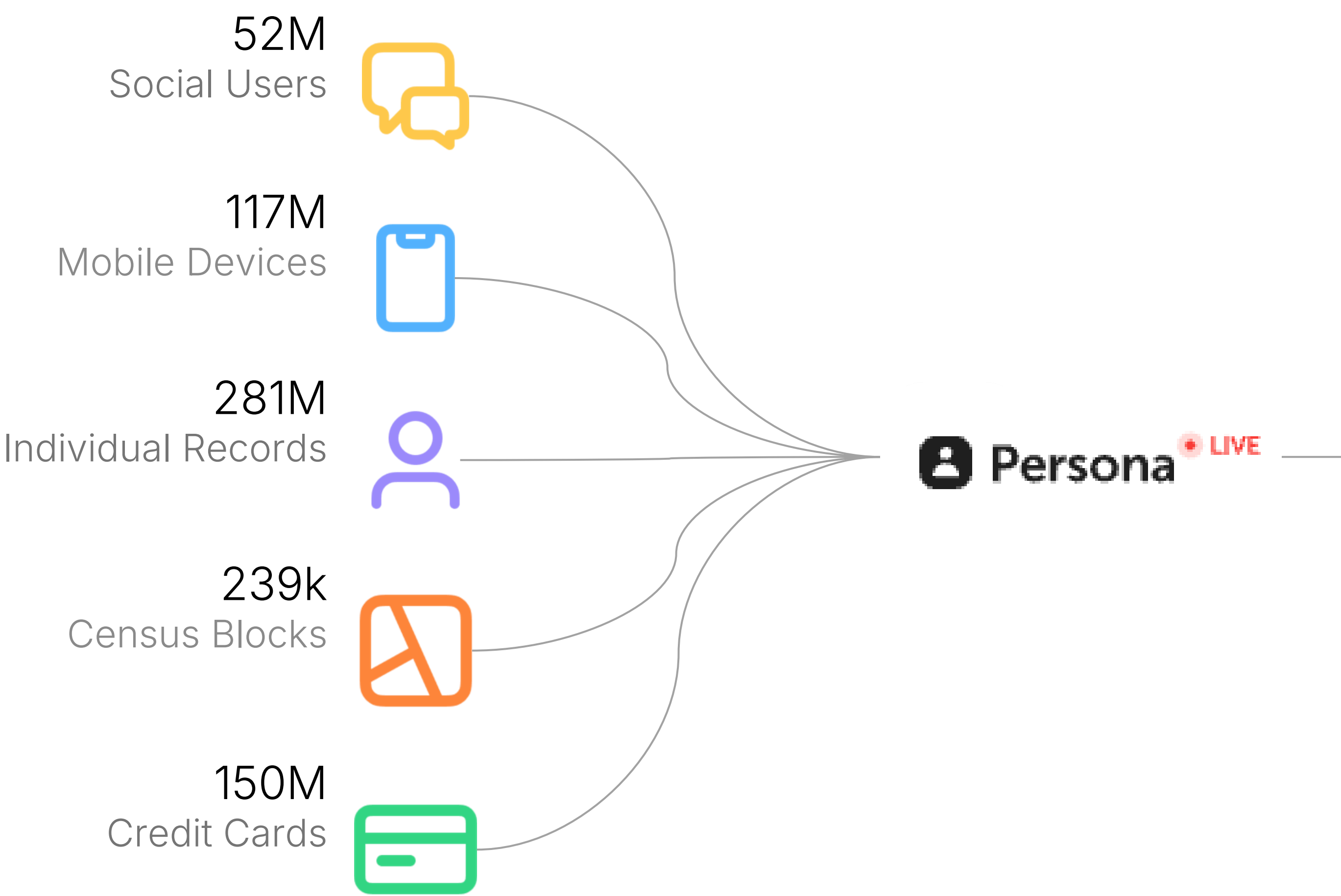
Geofenced Target w/ and w/o parking lot in Longview, TX



Advan Data

- ✓ Geolocation data for US and OUS
- ✓ Sourced from >40M mobile phones
- ✓ Overlaid on 158M US POIs
- ✓ Phones overlaid and tagged with Census data for every census block in the US + other pattern data providing demographic and psychographic profiles of the activity

PersonaLive Psychographic Segmentation



80 Segments & 17 Groups

Midas Might A01	Sky High A02	Exclusive Exburbs A03	Family Outposts A04	Suburb Chic A05
Good Life Citizens C01	Family & Faith C02	Flourishing Fusion C03	Frugal Fashionistas C04	Bootstrappers C05
City Sabor E01	City Chic E02	Generational Go Getters E03	Fashion Fusion E04	Mixed Mecca E05
Game Time Glory F01	Fast Lane Families F02	Penny Wise Parents F03	Military F04	Old Town Road F05

What a Thrifty K-Shaped Looks Like

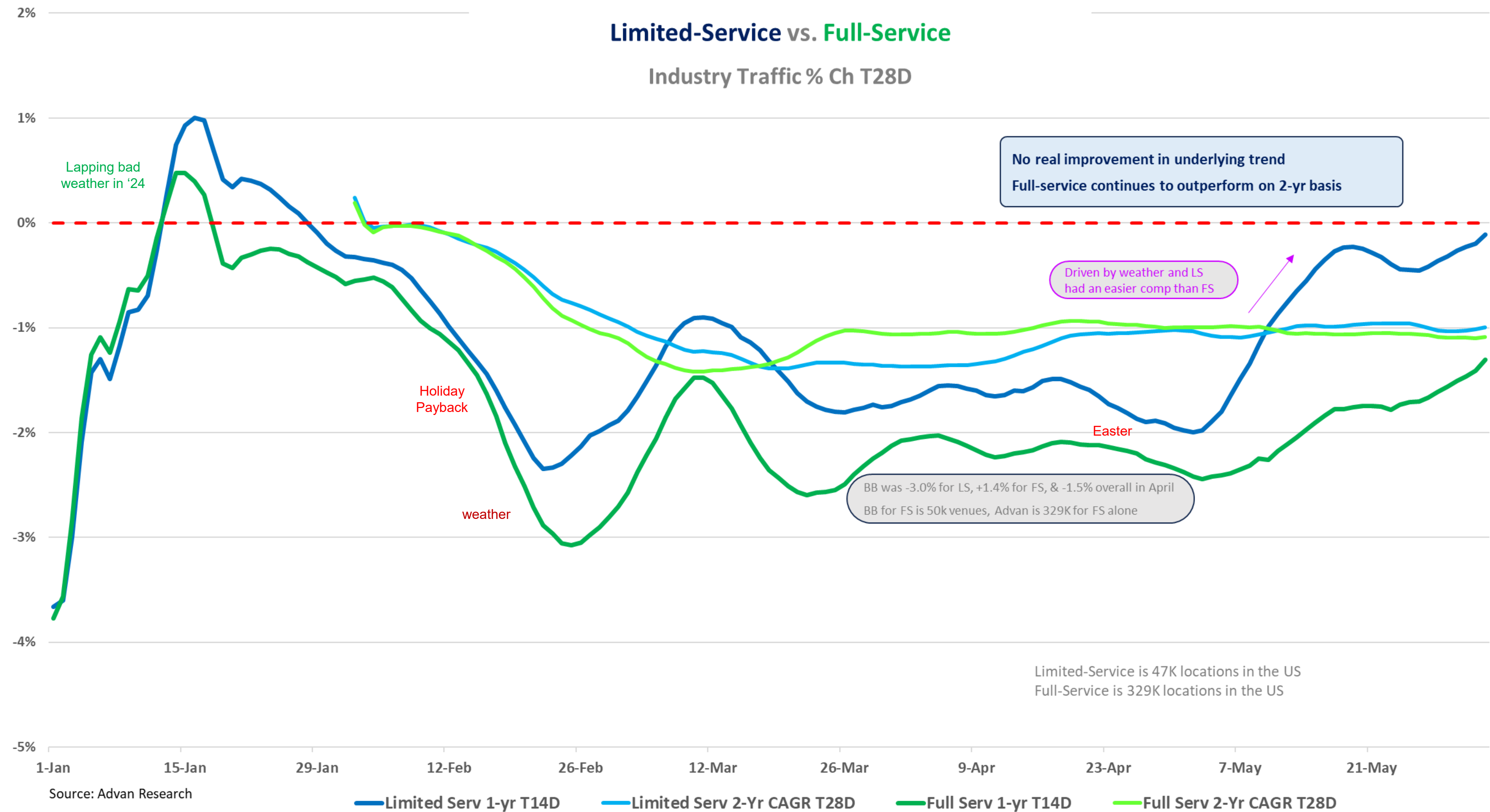
General Merchandise Comp-Sales

a-la thrifty K-shaped economy

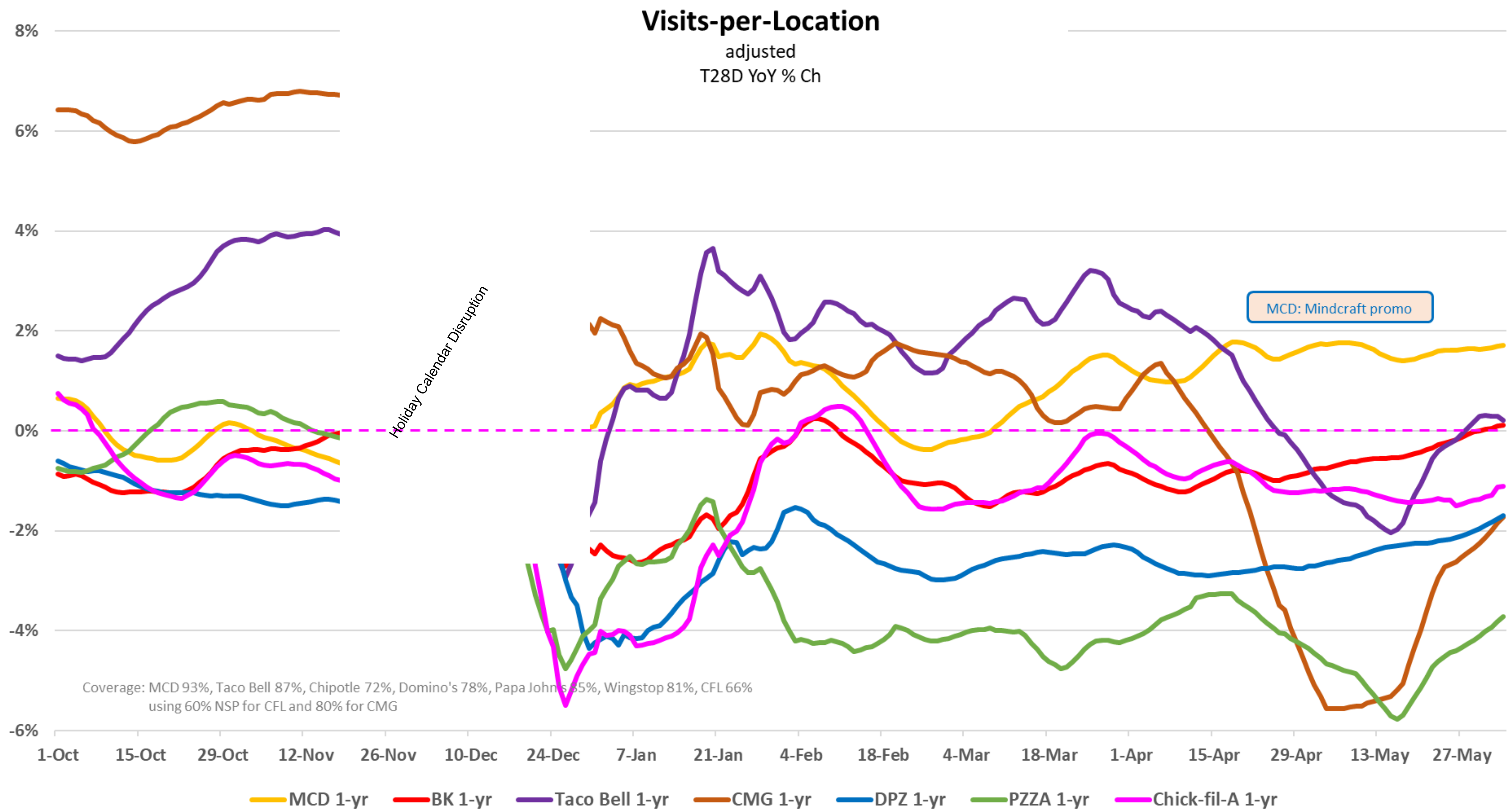
	fiscal 2023				fiscal 2024				2025
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Q1</u>
Costco-US									
vs. last year	-2%	-2%	-3%	5%	7%	7%	13%	12%	12%
vs. 2019	57%	43%	38%	38%	68%	53%	56%	55%	88%
Dollar General									
vs. last year	-6%	-8%	-6%	-11%	-7%	-7%	-4%	-2%	3%
vs. 2019	4%	2%	1%	0%	-3%	-5%	-3%	-2%	0%

Source: Company reported results

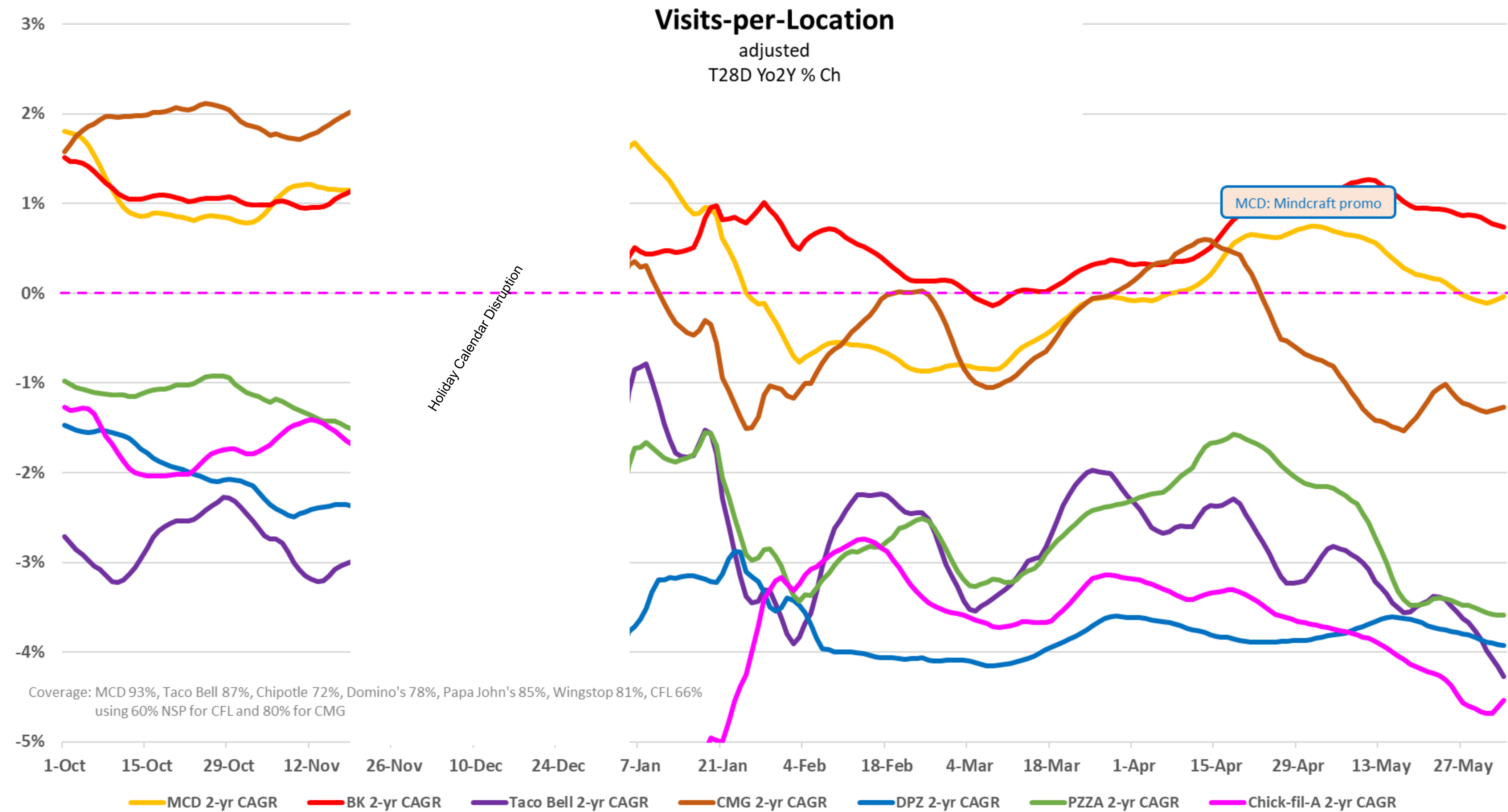
Traffic Down YTD *(weather + other factors)*



Limited Traffic on a 1-Year Basis – Q1's Softness Largely Persists, save MCD



Limited Traffic on a 2-Year Basis – Q1's Softness Largely Persists, save MCD



Limited-Service DID NOT Just Slow – *It’s Been On a Slide, A Trend Obfuscated By “Hazy Comparisons”*

Monthly Retail and Food Services Sales

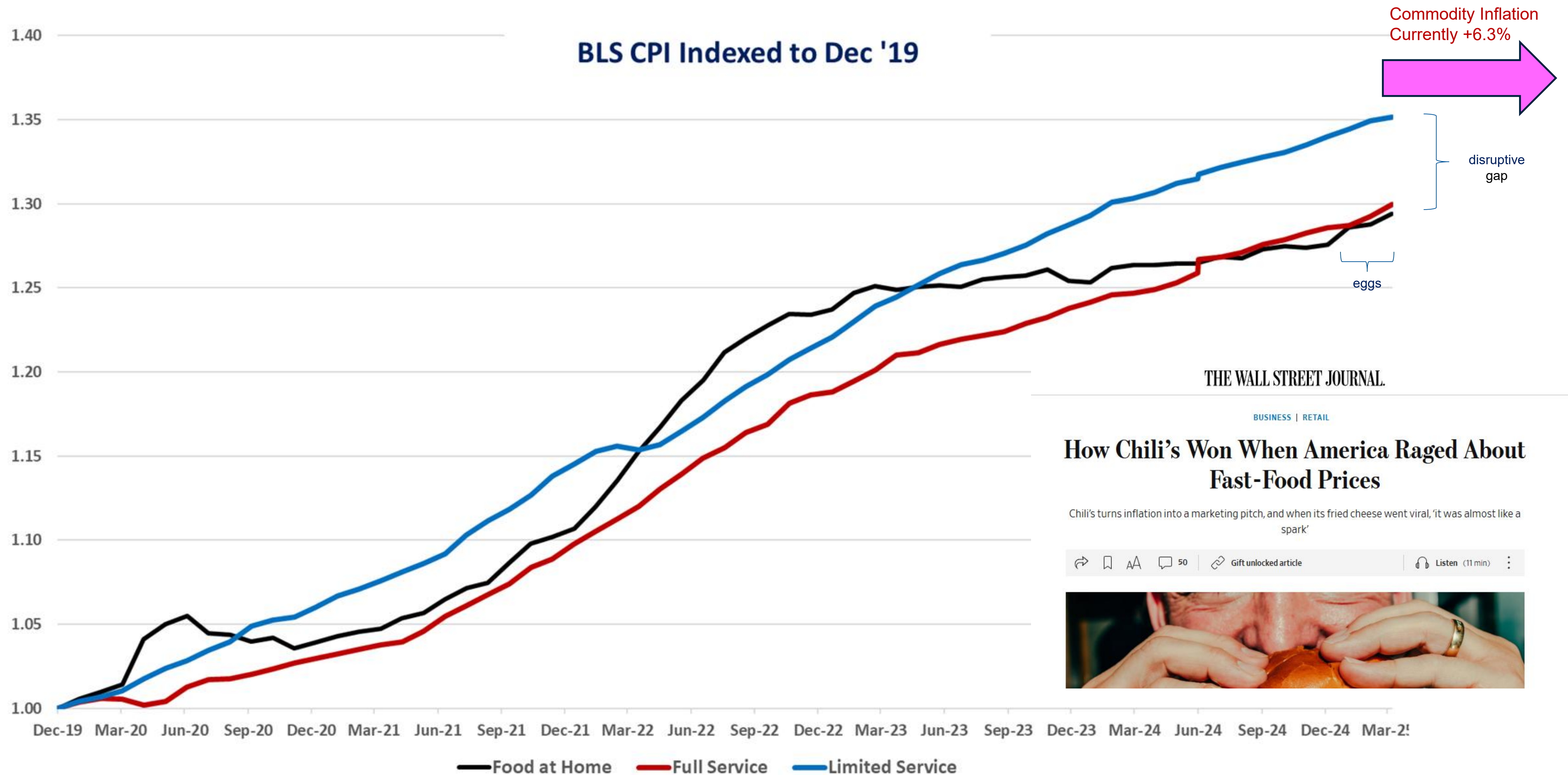
[Estimates are shown in millions of dollars] Non Adjusted

Trend has decelerated 10 pts from Jan '24

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Limited service*	\$38,311	\$39,271	\$43,457	\$42,777	\$45,004	\$43,941	\$44,532	\$44,705	\$41,206	\$43,287	\$40,963	\$41,581	39,559	38,272	45,198
Vs. 6 Years Ago	1.64	1.69	1.60	1.65	1.62	1.57	1.57	1.57	1.58	1.61	1.59	1.57	1.58	1.55	1.54

Source: Census Bureau, MRTS, April 2025 Release.

Inflation Gap Worsening – *Limited-Serve's relative "value" becoming compromised*



At-Home – *Gaining share-of-stomach*

Table 2.4.6U. Real Personal Consumption Expenditures by Type of Product, Chained Dollars

[Millions of chained (2017) dollars; quarters and months are seasonally adjusted at annual rates]

	2023				2024				2025	YoY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Personal consumption expenditures	15510201	15548526	15646695	15781367	15856867	15967266	16113035	16273191	16321051	2.9%
Indexed to Q4'22	1.012	1.015	1.021	1.030	1.035	1.042	1.051	1.062	1.065	PCE is fine
Clothing and footwear	495183	487616	493846	498532	502173	498163	500583	506693	515063	2.6%
Indexed to Q4'22	1.012	0.996	1.009	1.018	1.026	1.018	1.023	1.035	1.052	Apparel & FW are fine
Food	1557872	1551214	1563350	1573621	1568797	1573372	1584134	1592912	1596674	1.8%
Food purchased for off-prem	847863	846868	850439	852966	854938	860299	867355	870733	875039	2.4%
Indexed to Q4'22	1.019	1.012	1.024	1.035	1.025	1.023	1.028	1.036	1.027	Gaining Share-of-stomach
% of Food	54.42%	54.59%	54.40%	54.20%	54.50%	54.68%	54.75%	54.66%	54.80%	
Meals at other eating places	334677	327689	331281	339091	334931	333795	336804	342449	344395	2.8%
Indexed to Q4'22	1.028	1.006	1.018	1.041	1.029	1.025	1.034	1.052	1.058	
Limited-service eating places	375332	376657	381630	381564	378928	379278	379975	379730	377240	-0.4%
Indexed to Q4'22	1.013	1.016	1.030	1.030	1.022	1.023	1.025	1.025	1.018	Losing momentum and stuck at 1.02

Source: Bureau of Economic Analysis, May 29th release

Visitors Up on Cherry-Picking Promos & Frequency Down

Nationwide			
KPIs per Location (average)			
Q1'25 vs. Q1'24			
	Visitors	Visits	Freq
McDonald's			
% Ch	0.3%	-2.0%	-2.2%
Burger King			
% Ch	1.9%	-1.6%	-3.2%
Taco Bell			
% Ch	5.3%	2.6%	-2.6%
Chipotle			
% Ch	2.7%	-2.5%	-5.3%
Papa John's			
% Ch	4.4%	-2.3%	-6.4%
Domino's			
% Ch	2.7%	-2.0%	-4.2%
Wingstop			
% Ch	3.3%	-2.5%	-5.8%
Chick-f-lay			
% Ch	2.0%	0.1%	-2.0%
Source: Advan Research			
Coverage: MCD 93%, Taco Bell 87%, Chipotle 72%,			
Domino's 78%, Papa John's 85%, Wingstop 81%, CFL 66%			

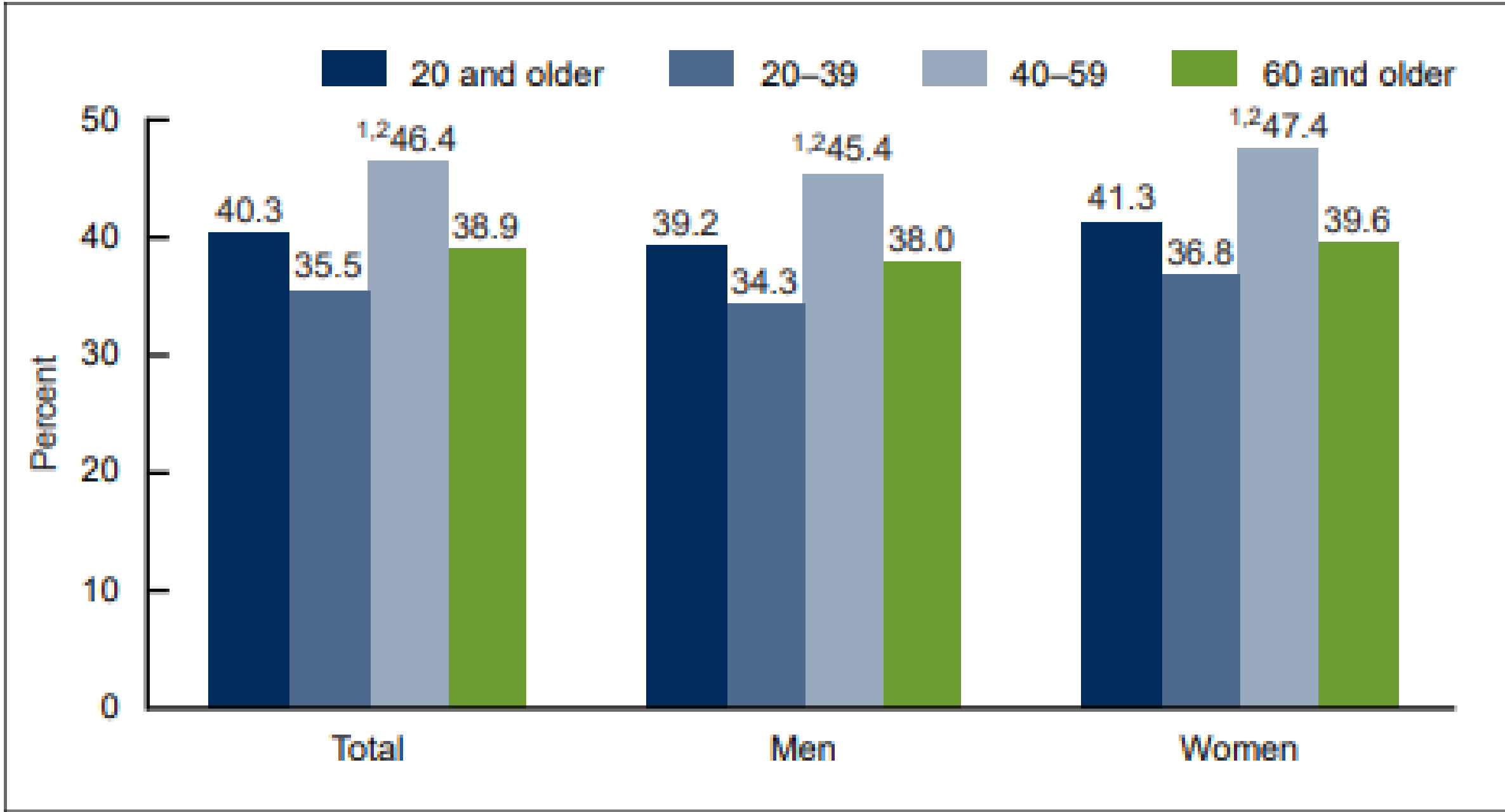
Adjusted for
Leap Day

- Visits & Frequency of Visit down across the board
- ✓ Visitor growth driven by more cross-visitation to grab promotions
 - ✓ What's the gross-to-net for these brands? And vs. CPI's +3.7%
 - ✓ Same pattern seen w/ grocers since 2H'23

Obesity

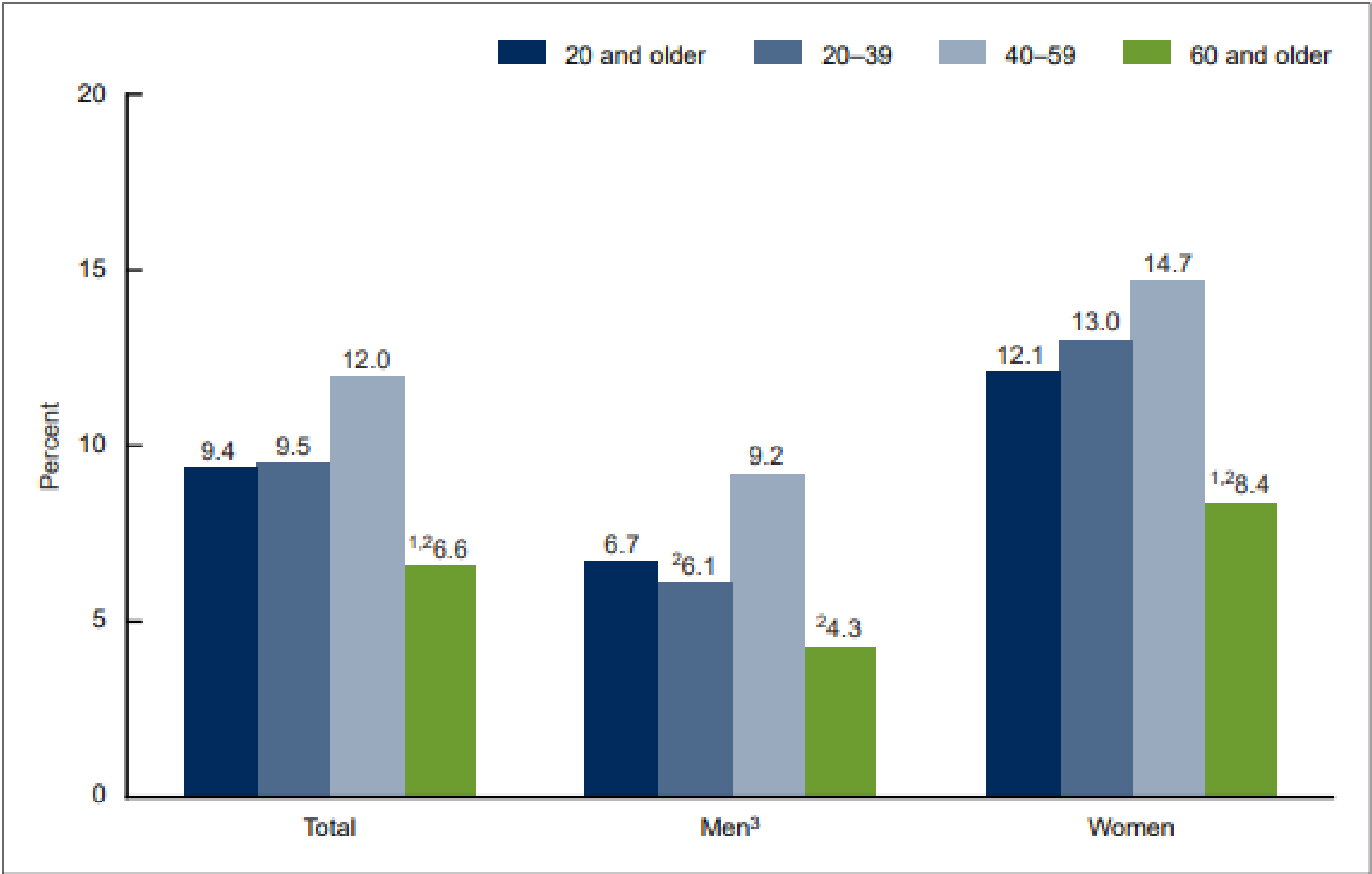
CDC Study

Figure 1. Prevalence of obesity in adults age 20 and older, by sex and age: United States, August 2021–August 2023



BMI over 30

Figure 3. Prevalence of severe obesity in adults age 20 and older, by sex and age: United States, August 2021–August 2023



BMI over 40

GLP-1 for Weight Loss

Current market size:

- Mid-May, total scripts grew 40% YoY to 1.072M, including compounded product, per Novo. Its market research indicates that ~3M US patients are on a GLP-1 for obesity.
- Others put the figure at 2.4M for obesity for just Wegovy and Zepbound. (There is another 5.6M for diabetes.)

Growth from here driven by:

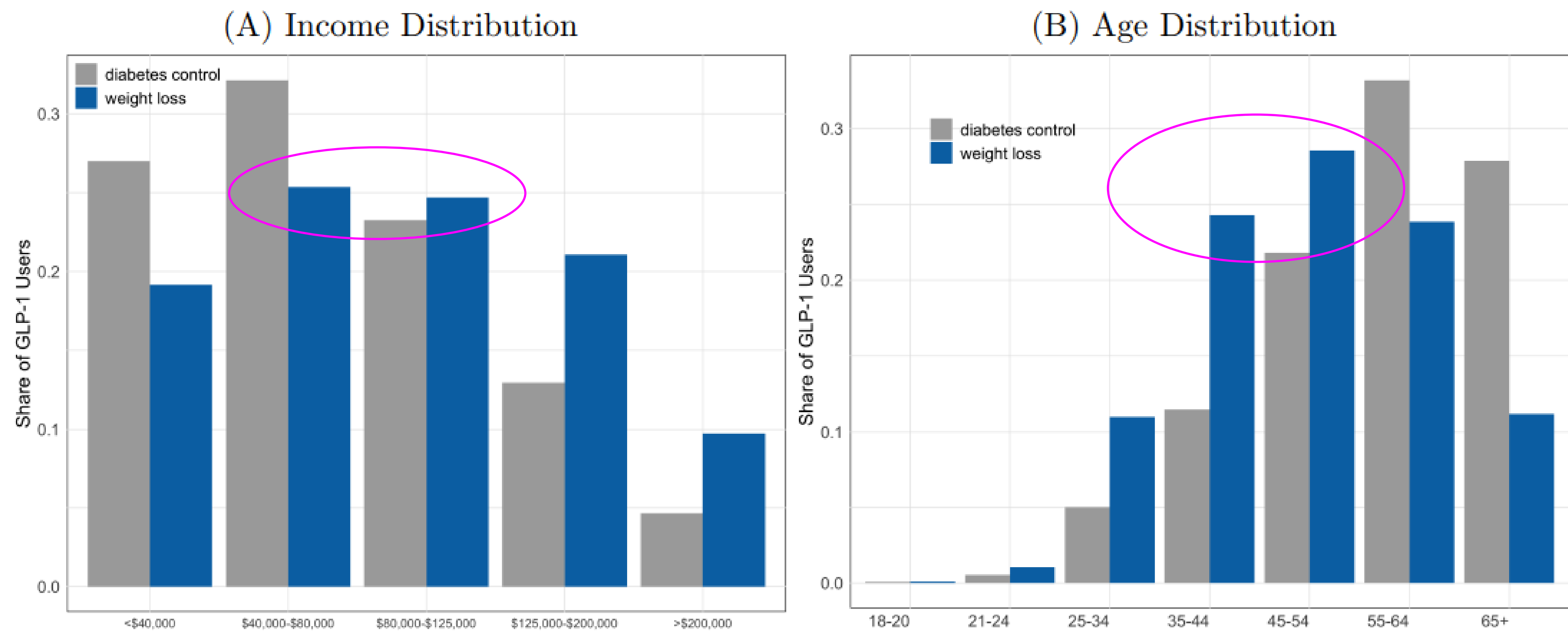
- Broader adoption as health concerns and benefits in others become for visible (influencers)
- Greater injectable supply + price cuts
- Expanding payer coverage
- Oral medications (2026)
- Next gen models become available.

Market potential / impact:

- The obese population in US w/ BMI >30 w/ access to some coverage 38.8M, about 7% treated, or 2.7M
- Next year-- 11% treated, number goes to 4.4M (+1.7M more).
- The following year-- 14% treated, number goes to 6.0M (+1.4M more)
- Rinse-&-repeat

GLP-1 Usage -- \$40-\$125K HH incomes, 35-54 years of age, i.e. not the uber-affluent

Figure 2: Income and Age Distribution of GLP-1 Adopters by Reason for Use



Notes: Demographic profile of GLP-1 adopters in the survey data for the subset of 25,131 panelists who reported their reason for taking the drug. Each adopter panelist answered an average of 2 survey waves, resulting in a total of $N = 50,637$ survey responses. Source: Authors' calculations using Numerator GLP-1 and demographic survey data.

GLP-1 Usage & Behavior

Table 3: Changes in Food-Away-From-Home Purchases

	All	Motivation		Income	
		Weight Loss	Diabetes	< \$125,000	≥ \$125,000
Total Spending	-0.086*** (0.019)	-0.084** (0.027)	-0.094** (0.029)	-0.139** (0.047)	-0.074*** (0.021)
Total Quantity	-0.056*** (0.014)	-0.053** (0.019)	-0.063** (0.020)	-0.078* (0.034)	-0.051*** (0.015)
Purchase Probability	-0.014* 0.005	-0.016* 0.008	-0.013 0.009	-0.029* 0.014	-0.010 0.007
# of Adopters	2,623	1,458	1,101	1,834	789
N of Obs.	137,168	58,669	84,851	95,789	41,460

Notes: The table reports the change in shopping patterns for the 6-month period post-adoption using a TWFE estimator. The first row uses the log of total grocery spending as the dependent variable. The second row examines the log of the number of items purchased. The third row estimates a regression with a binary dependent variable indicating whether household *i* eats out in month *t*. We report relative probability changes and compute standard errors using the delta method. Estimates are based on 2,623 users and 4,072 corresponding matched non-adopters. Estimates are based on Numerator GLP-1, demographic, and purchase data. Standard errors are clustered at the household level. Significance codes: *p<0.05; **p<0.01; ***p<0.001.

What Consumer Cohorts Are Growing / Receding

Spatial.ai consumer segments – customer mix changes (% of total)

No evidence of a broad
disengagement by the low-income

Disengagement by the several
cohorts

	Nationwide					PP changes in segment Q1'25 vs. Q1'24		
	MCD	BK	TB	CMG	PJ	WING	CFL	Avg
Wealthy Suburban Families	0.02	0.01	0.06	0.31	0.11	0.17	0.07	0.11
Upper Suburban Diverse Families	0.02	0.01	0.04	0.06	0.13	0.12	0.03	0.06
Blue Collar Suburbs	0.04	0.09	0.03	-0.14	0.11	0.00	0.02	0.02
Young Urban Singles	-0.01	0.02	0.00	0.28	-0.09	-0.08	-0.01	0.02
Lower Hispanic Families	0.04	0.06	-0.01	-0.11	0.04	0.09	-0.01	0.01
Rural Average Income	0.02	0.05	0.06	0.00	-0.04	0.00	0.00	0.01
Suburban Boomers	0.01	-0.01	0.02	0.00	0.01	0.01	0.02	0.01
Budget Boomers	-0.04	0.00	0.00	0.01	0.02	0.03	0.01	0.00
Small Town Low Income	0.01	0.00	-0.01	0.03	-0.05	0.03	0.01	0.00
Near-Urban Diverse Families	0.03	0.06	0.02	0.01	-0.04	-0.08	-0.04	-0.01
Rural High Income	-0.02	-0.05	0.01	0.03	0.01	-0.01	-0.01	-0.01
Young Professionals	-0.05	-0.03	-0.09	0.36	-0.05	-0.15	-0.04	-0.01
Rural Low Income	-0.01	-0.03	0.00	0.00	-0.04	-0.01	-0.05	-0.02
Sunset Boomers	-0.03	-0.02	-0.01	-0.08	-0.08	-0.01	0.01	-0.03
Urban Low Income	0.03	-0.03	-0.04	-0.07	-0.01	-0.06	-0.04	-0.03
Educated Urbanites	-0.04	-0.03	-0.02	-0.05	-0.02	-0.13	-0.01	-0.04
Ultra Wealthy Families	-0.01	-0.02	-0.03	-0.61	0.00	0.06	0.05	-0.08

What Consumer Cohorts Are Growing / Receding

-- National-level measures muddle the nuance, look at market-level data for nuance

Dallas PP changes in segment Q1'25 vs. Q1'24

	<u>MCD</u>	<u>BK</u>	<u>TB</u>	<u>CMG</u>	<u>PJ</u>	<u>DPZ</u>	<u>WING</u>	<u>CFL</u>	<u>Avg</u>
Wealthy Suburban Families	-0.08	0.19	0.08	0.31	0.20	0.03	0.27	0.12	0.14
Lower Hispanic Families	0.18	0.55	-0.08	-0.11	0.99	0.06	-0.55	-0.34	0.09
Near-Urban Diverse Families	0.06	0.21	0.01	0.01	0.11	0.02	0.12	-0.13	0.05
Upper Suburban Diverse Families	0.06	-0.01	-0.01	0.06	-0.45	0.20	0.23	0.25	0.04
Rural Average Income	0.03	0.03	-0.05	0.00	0.25	0.02	-0.04	0.00	0.03
Rural High Income	0.00	0.04	0.01	0.03	0.08	0.01	0.02	-0.01	0.02
Suburban Boomers	0.01	0.03	0.03	0.00	-0.04	0.05	-0.03	0.05	0.01
Rural Low Income	0.03	-0.01	0.00	0.00	0.03	-0.01	0.01	0.00	0.01
Educated Urbanites	-0.10	-0.08	-0.04	-0.05	-0.09	-0.12	0.49	-0.03	0.00
Urban Low Income	0.01	0.02	-0.09	-0.07	0.01	0.09	0.06	-0.06	0.00
Young Professionals	-0.31	-0.14	0.24	0.36	-0.06	-0.15	-0.15	0.16	-0.01
Sunset Boomers	0.03	0.01	0.00	-0.08	0.01	0.05	-0.05	-0.02	-0.01
Budget Boomers	0.00	-0.02	0.04	0.01	-0.08	-0.01	-0.01	0.00	-0.01
Small Town Low Income	-0.04	-0.06	0.00	0.03	-0.19	-0.01	-0.04	-0.01	-0.04
Blue Collar Suburbs	0.06	-0.10	-0.17	-0.14	0.15	-0.13	-0.10	-0.08	-0.06
Ultra Wealthy Families	0.17	0.09	-0.25	-0.61	0.23	-0.25	-0.35	0.25	-0.09
Young Urban Singles	-0.07	-0.69	0.33	0.28	-1.09	0.07	0.19	-0.12	-0.14

What Consumer Cohorts Are Growing / Receding

-- National-level measures muddle the nuance, look at market-level data for nuance

Dallas PP changes in segment Q125 vs. Q1'24

	<u>MCD</u>	<u>BK</u>	<u>TB</u>	<u>CMG</u>	<u>PJ</u>	<u>DPZ</u>	<u>WING</u>	<u>CFL</u>	<u>Avg</u>	
Wealthy Suburban Families	-0.08	0.19	0.08	0.31	0.20	0.03	0.27	0.12	0.14	
Lower Hispanic Families	0.18	0.55	-0.08	-0.11	0.99	0.06	-0.55	-0.34	0.09	
Near-Urban Diverse Families	0.06	0.21	0.01	0.01	0.11	0.02	0.12	-0.13	0.05	
Upper Suburban Diverse Families	0.06	-0.01	-0.01	0.06	-0.45	0.20	0.23	0.25	0.04	
Rural Average Income	0.03	0.03	-0.05	0.00	0.25	0.02	-0.04	0.00	0.03	
Rural High Income	0.00	0.04	0.01	0.03	0.08	0.01	0.02	-0.01	0.02	
Suburban Boomers	0.01	0.03	0.03	0.00	-0.04	0.05	-0.03	0.05	0.01	
Rural Low Income	0.03	-0.01	0.00	0.00	0.03	-0.01	0.01	0.00	0.01	Preponderance of negative reads
Educated Urbanites	-0.10	-0.08	-0.04	-0.05	-0.09	-0.12	0.49	-0.03	0.00	←
Urban Low Income	0.01	0.02	-0.09	-0.07	0.01	0.09	0.06	-0.06	0.00	
Young Professionals	-0.31	-0.14	0.24	0.36	-0.06	-0.15	-0.15	0.16	-0.01	←
Sunset Boomers	0.03	0.01	0.00	-0.08	0.01	0.05	-0.05	-0.02	-0.01	
Budget Boomers	0.00	-0.02	0.04	0.01	-0.08	-0.01	-0.01	0.00	-0.01	
Small Town Low Income	-0.04	-0.06	0.00	0.03	-0.19	-0.01	-0.04	-0.01	-0.04	←
Blue Collar Suburbs	0.06	-0.10	-0.17	-0.14	0.15	-0.13	-0.10	-0.08	-0.06	←
Ultra Wealthy Families	0.17	0.09	-0.25	-0.61	0.23	-0.25	-0.35	0.25	-0.09	←
Young Urban Singles	-0.07	-0.69	0.33	0.28	-1.09	0.07	0.19	-0.12	-0.14	←

Ethnographic Lens

Redo w/ all 6



The Young Professional Drop

The cross section of young + single + educated + urban is where we see the most extreme drop. This group (combination of G Educated Urbanites & H Young Professionals) represents ~12m households.



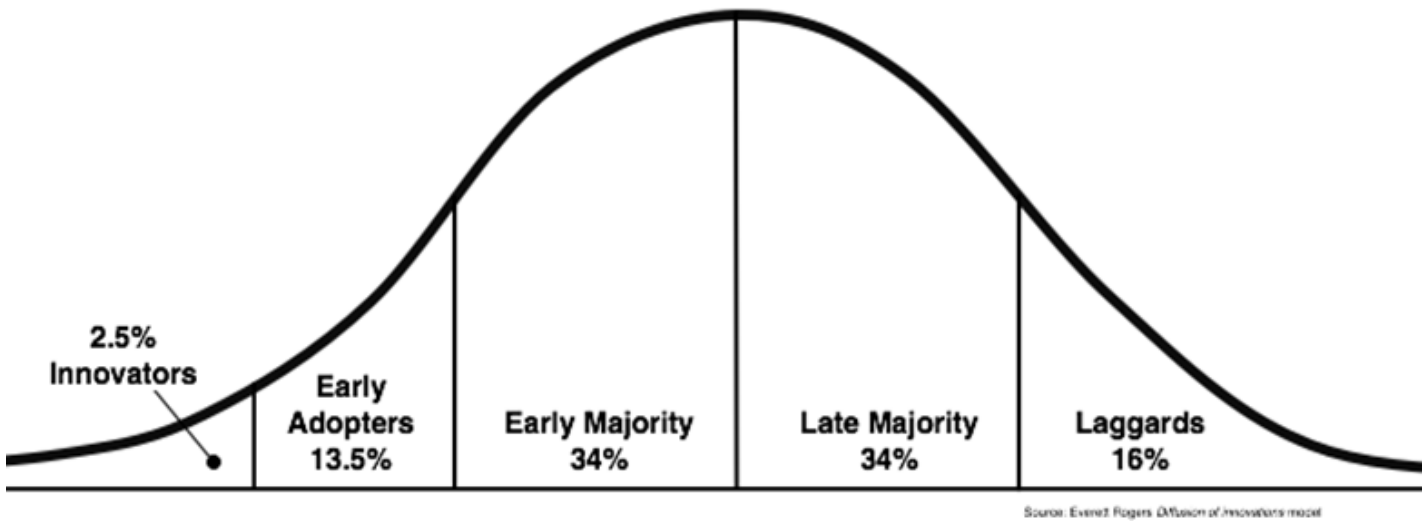
High & Average Income Suburban Families Slight Downward Trend

We see a slight downward trend in these groups vs. the national average QSR visits and spend.



Low Income, Rural, Hispanic Sustain Spending On QSR

These three unique groups are not down as much as the national average for visiting or spending on QSR.



What Consumer Cohorts Are Receding

McDonald's Dallas Market Q1 '25 vs Q1'24 Change In Customer Mix

Family	Q1 '24				Q1 '25				YoY
	% of HHs	Segment	Rank	% of HHs	% of HHs	YoY	Rank	% of HHs	
Blue Collar Suburbs	11.57				11.63	0.06			
Budget Boomers	0.88				0.88	0.00			
Educated Urbanites	2.59				2.49	-0.10			
Lower Hispanic Families	14.47				14.65	0.18			
Near-Urban Diverse Famili	5.05				5.11	0.06			
Rural Average Income	1.25				1.28	0.03			
Rural High Income	0.58				0.58	0.00			
Rural Low Income	0.50				0.53	0.03			
Small Town Low Income	0.92				0.88	-0.04			
Suburban Boomers	2.45				2.46	0.01			
Sunset Boomers	0.67				0.70	0.03			
Ultra Wealthy Families	9.29				9.46	0.17			
Upper Suburban Diverse Fa	10.27				10.33	0.06			
Urban Low Income	5.56				5.57	0.01			
Wealthy Suburban Familie:	14.04				13.96	-0.08			
Young Professionals	8.16	#College	41	0.54	7.85	-0.31	41	0.51	-0.03
		#RaisingTheBar	5	4.54			7	4.32	-0.22
		#RisingProfessionals	29	1.08			29	1.06	-0.02
		#YoungStars	18	2.00			18	1.96	-0.04
Young Urban Singles	11.46				11.39				
Total	100.00				100.00				

Primarily young, well-educated renters raising the waterline in diverse, mixed-income areas. This segment enjoys podcasts like My Favorite Murder and has an interest in African American media outlets. They visit independent beauty stores for cosmetics. Many get their workouts at their local LA Fitness.

What Consumer Cohorts Are Receding

Visits by Raising-the-Bar cohort in Dallas

2025 vs 2024 by Brand

	<u>% of Visitors</u>		<u>bps ch</u>	<u>Visits Ch</u>
	<u>Q1'24</u>	<u>Q1'25</u>		
McDonald's	4.54	4.32	-22	-9%
Burger King	4.42	4.32	-10	-3%
Taco Bell	4.50	4.57	7	6%
Chipotle	5.44	5.28	-16	-6%
Papa John's	4.39	4.30	-9	-6%
Domino's	4.07	4.08	1	-1%
Wingstop	4.85	4.87	2	-2%
Chick-f-Lay	4.62	4.64	2	-2%

National Benchmark 2.40

Source: Advan Research. Adjusted for absense of Leap Day



Raising The Bar
H03

Young, single, artistic and well educated renters. Young professionals, not money driven, “uniqueness” driven. First in on gentrification.

What Consumer Cohorts Are Receding

Visits by Urbanist cohort in Dallas

2025 vs 2024 by Brand

% of Visitors

	<u>Q1'24</u>	<u>Q1'25</u>	<u>bps ch</u>	<u>Visits Ch</u>
McDonald's	0.84	0.78	-6	-7%
Burger King	0.55	0.50	-5	-9%
Taco Bell	0.70	0.69	-1	-1%
Chipotle	1.25	1.28	3	2%
Papa John's	0.44	0.40	-4	-9%
Domino's	0.87	0.82	-5	-6%
Wingstop	1.04	1.16	12	12%
Chick-f-Lay	0.98	0.92	-6	-6%

National Benchmark 1.30

Source: Advan Research. Adjusted for absense of Leap Day



Urbanists

G03

Young, white, single high income and well off, renting in post-gentrified neighborhoods in major cities.

Extremely fashionable, listen to The Intercept, Vox, tour local art museums and bookstores. Travel

What Consumer Cohorts Are Growing

Dallas PP changes in segment Q125 vs. Q1'24

	<u>MCD</u>	<u>BK</u>	<u>TB</u>	<u>CMG</u>	<u>PJ</u>	<u>DPZ</u>	<u>WING</u>	<u>CFL</u>	<u>Avg</u>
Wealthy Suburban Families	-0.08	0.19	0.08	0.31	0.20	0.03	0.27	0.12	0.14
Lower Hispanic Families	0.18	0.55	-0.08	-0.11	0.99	0.06	-0.55	-0.34	0.09
Near-Urban Diverse Families	0.06	0.21	0.01	0.01	0.11	0.02	0.12	-0.13	0.05
Upper Suburban Diverse Families	0.06	-0.01	-0.01	0.06	-0.45	0.20	0.23	0.25	0.04
Rural Average Income	0.03	0.03	-0.05	0.00	0.25	0.02	-0.04	0.00	0.03
Rural High Income	0.00	0.04	0.01	0.03	0.08	0.01	0.02	-0.01	0.02
Suburban Boomers	0.01	0.03	0.03	0.00	-0.04	0.05	-0.03	0.05	0.01
Rural Low Income	0.03	-0.01	0.00	0.00	0.03	-0.01	0.01	0.00	0.01
Educated Urbanites	-0.10	-0.08	-0.04	-0.05	-0.09	-0.12	0.49	-0.03	0.00
Urban Low Income	0.01	0.02	-0.09	-0.07	0.01	0.09	0.06	-0.06	0.00
Young Professionals	-0.31	-0.14	0.24	0.36	-0.06	-0.15	-0.15	0.16	-0.01
Sunset Boomers	0.03	0.01	0.00	-0.08	0.01	0.05	-0.05	-0.02	-0.01
Budget Boomers	0.00	-0.02	0.04	0.01	-0.08	-0.01	-0.01	0.00	-0.01
Small Town Low Income	-0.04	-0.06	0.00	0.03	-0.19	-0.01	-0.04	-0.01	-0.04
Blue Collar Suburbs	0.06	-0.10	-0.17	-0.14	0.15	-0.13	-0.10	-0.08	-0.06
Ultra Wealthy Families	0.17	0.09	-0.25	-0.61	0.23	-0.25	-0.35	0.25	-0.09
Young Urban Singles	-0.07	-0.69	0.33	0.28	-1.09	0.07	0.19	-0.12	-0.14

Lower-income groups
generally similar YoY

What Consumer Cohorts Are Growing

McDonald's Dallas Market									
Q1 25 vs Q1'24 Change In Customer Mix									
Family	Q1 '24				Q1 '25				YoY bps
	% of HHs	Segment	Rank	% of HHs	% of HHs	YoY	Rank	% of HHs	
Lower Hispanic Families	14.47	#AspiringHispanics	13	2.55	14.65	0.18	13	2.66	0.11
		#CaballerosUrbanos	10	3.12			10	3.15	0.03
		#DazzledDesperados	9	3.16			8	3.22	0.06
		#InTheHeights	52	0.27			58	0.26	-0.01
		#LaVidaRural	33	0.87			32	0.86	-0.01
		#ReggaetonRoads	6	4.50			5	4.50	0.00
Total	100.00				100.00				-4%

Small town Hispanics in blue-collar, farm, and service jobs with 5+ person households and plenty of children. TV is necessary entertainment with favorites Dr. Phil, American Idol, ESPN Deportes, and NBA TV. Cosmetics brands like BoxyCharm and Anastasia Beverly Hills (4x national rate) help them look their best. For clothes, they visit GUESS and Calvin Klein, and Abercrombie for their kids. CiCi's Pizza, Chuck E Cheese, and Long John Silver's help them feed a big family and entertain children.

Conclusions

- ❑ Limited-service traffic and sales are down for:
 - ✓ **A cyclical reason** – inflation and share-of-stomach losses to at-home consumption, and
 - ✓ **A secular reason** – less calorie consumption when on (and maybe off) weight-loss drugs (GLP-1), which will worsen from here given more usage and its compound effects, a pill version, and increased insurance coverage.
- ❑ Consumers are deal hunting and visiting more brands and locations, resulting in a decline in any given brand's visit frequency and loyalty.
- ❑ The above is also compressing the gross-to-net and undermining pricing power
- ❑ GLP consumers were “super eaters” (1.24X per Circana), amplifying the impact of increased GLP usage on volume / calories
- ❑ Q1's soft trend has persisted into Q2
- ❑ The 2H with inflation rising and broader GLP usage will be interesting



Thomas Paulson
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Thomas has been Head of Market Insights for Advan Research since January 2025. Previously, he served as Director of Research and Business Development at Placer.ai, where he was instrumental in providing actionable insights derived from location analytics and the path for expansion into new verticals. His background also includes two decades as an analyst and portfolio manager at AllianceBernstein, Cornerstone, and others. Prior to this tenure, Thomas was an economist, mechanical engineer, and an early-stage VC. Thomas is also a Badger (math and economics) and Gopher (engineering and MBA) – making him both a weasel and a rodent.

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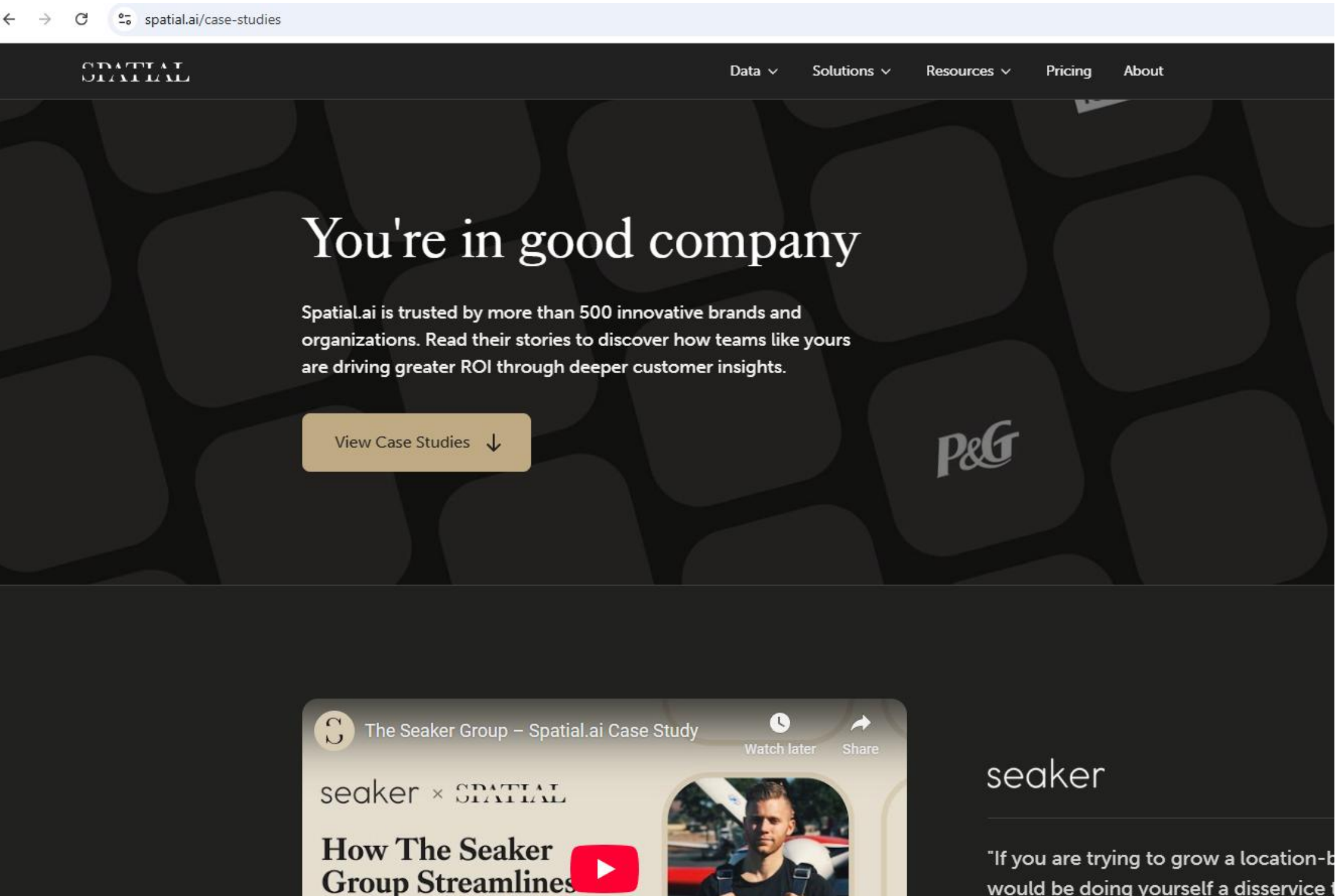
Lyden Foust
CEO, Spatial.ai

Lyden Foust is the co-founder of Spatial.ai, the creator of the PersonaLive segmentation and host of the Consumer Code podcast. Prior to founding Spatial.ai, Lyden was an Ethnographic Research consultant for brands like P&G, JnJ, Intel and an adjunct professor of Ethnography at Miami University. While researching a neighborhood in Nashville in 2015 he found himself on the wrong end of a gun. The data on the area lagged the reality of the situation. Since then, he has focused his efforts on understanding people in real-time, ensuring that researchers and marketers don't miss their chance to make a meaningful impact on the world.

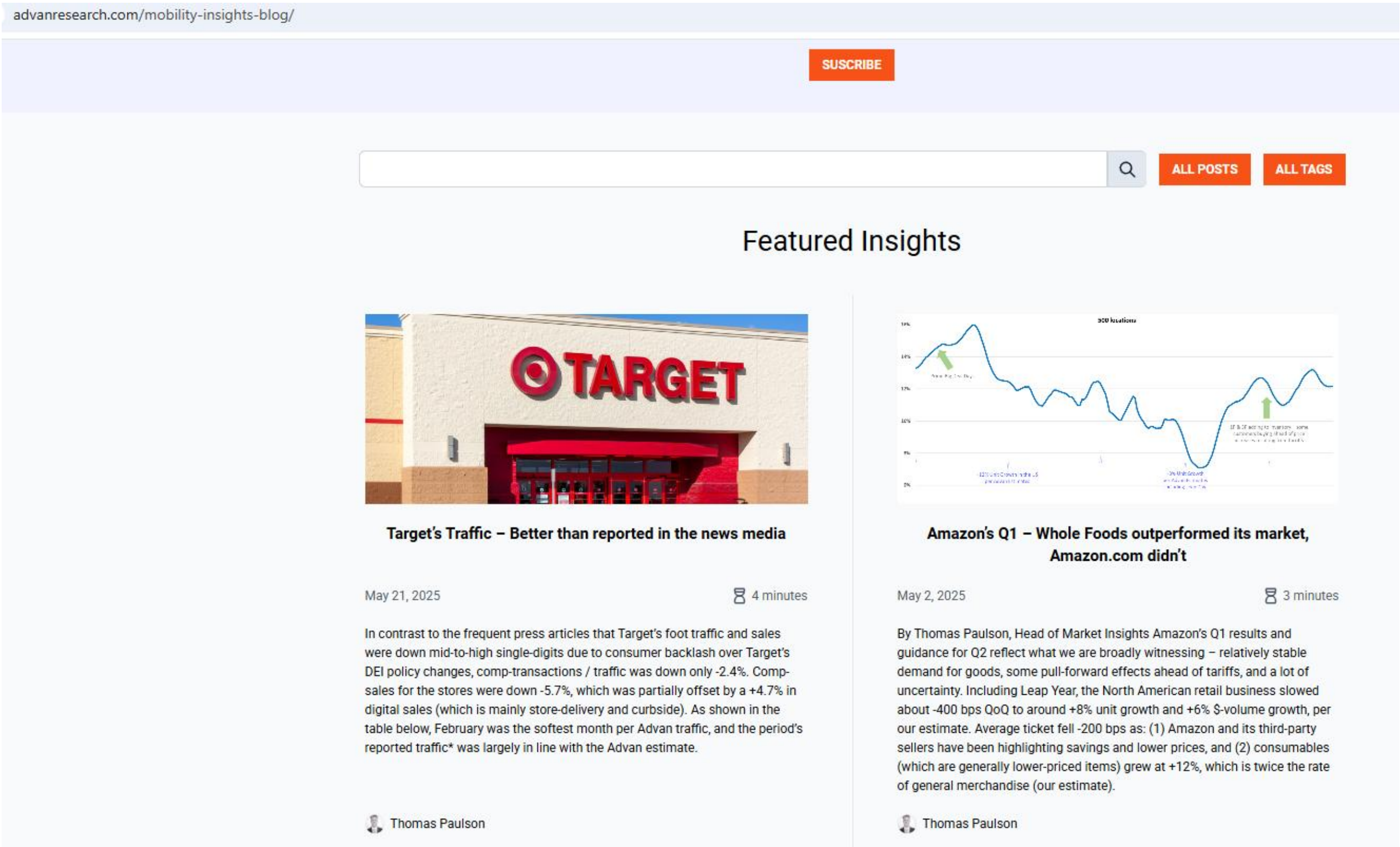
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Visitors Up on Cherry-Picking Promos & Frequency Down

	Nationwide			Dallas		
	KPIs per Location (average)			KPIs per Location (average)		
	Q1'25 vs. Q1'24			Q1'25 vs. Q1'24		
	Visitors	Visits	Freq	Visitors	Visits	Freq
McDonald's						
% Ch	0.3%	-2.0%	-2.2%	-2.6%	-5.1%	-3.8%
Burger King						
% Ch	1.9%	-1.6%	-3.2%	-2.0%	-1.5%	0.5%
Taco Bell						
% Ch	5.3%	2.6%	-2.6%	0.1%	3.0%	-2.8%
Chipotle						
% Ch	2.7%	-2.5%	-5.3%	2.4%	-3.9%	-5.9%
Papa John's						
% Ch	4.4%	-2.3%	-6.4%	-0.9%	-5.4%	-4.5%
Domino's						
% Ch	2.7%	-2.0%	-4.2%	-2.9%	-3.5%	-1.1%
Wingstop						
% Ch	3.3%	-2.5%	-5.8%	3.7%	-3.2%	-6.6%
Chick-f-lay						
% Ch	2.0%	0.1%	-2.0%	-3.5%	-3.6%	0.0%

Adjusted for
Leap Day

Source: Advan Research
Coverage: MCD 93%, Taco Bell 87%, Chipotle 72%,
Domino's 78%, Papa John's 85%, Wingstop 81%, CFL 66%

Visitors Up on Cherry-Picking Promos & Frequency Down

Shopper Behavior				
when consumers are spent on inflation				
Per locations metrics				
Q1'25 vs Q1'24				
	<u>Visitors</u>	<u>Visits</u>	<u>Freq</u>	<u>Dwell</u>
Grocery	1.1%	-1.6%	-2.1%	-1.5%
Club	2.5%	1.6%	-0.6%	-0.8%
Walmart	1.5%	-0.3%		

Adjusted for
Leap Day

Visits & Frequency of Visit
down across the board

- ✓ Visitor growth driven by more cross-visitation to grab promotions
- ✓ Lower dwell time is aligned w/ fewer items in the the basket (UPTs)

Grocery is Albertsons and Kroger, which are doing better than the industry

Source: Advan Research, REI