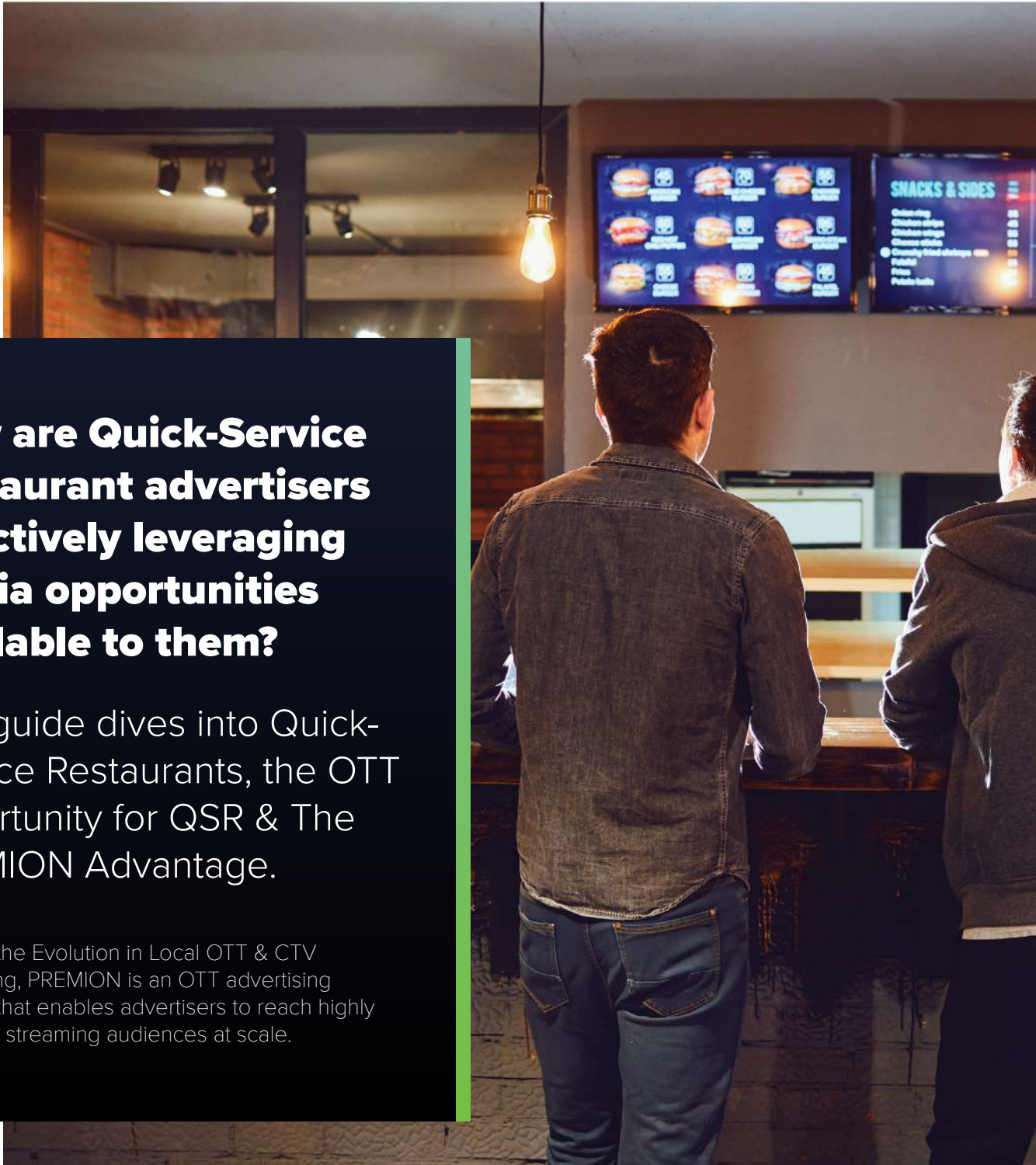


The PREMION Advantage

**Quick-Service
Restaurants &
The OTT Audience**





How are Quick-Service Restaurant advertisers effectively leveraging media opportunities available to them?

This guide dives into Quick-Service Restaurants, the OTT opportunity for QSR & The PREMION Advantage.

Leading the Evolution in Local OTT & CTV advertising, PREMION is an OTT advertising platform that enables advertisers to reach highly engaged streaming audiences at scale.



2020 CYNOPSIS ADTECH AWARD WINNER
OUTSTANDING LOCAL ADVERTISING SOLUTION



TAG CERTIFIED
AGAINST AD FRAUD

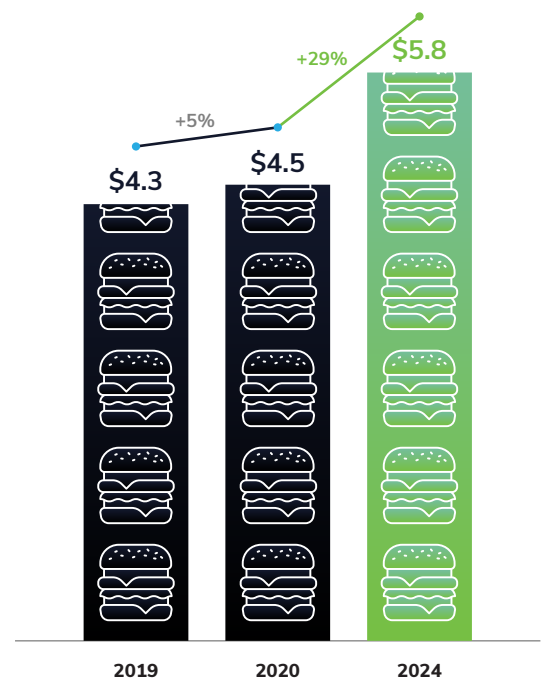
Market Opportunity

The Quick-Service-Restaurant industry is a staple in modern-American dining. On average, an American family spends about \$100 a month (or over \$1,200 a year) on meals-on-the-go;¹ in US cities, that spend jumps to upwards of \$175 a month.² Because the QSR industry is so accessible for today's working families and professionals, **it's estimated this market is worth more than \$239 billion,**³ that's a lot of sides of fries!

The quick-service restaurant category is hyper-competitive. It takes standout work to break through the clutter

- Wendy's CMO, Carl Lored, via PR Week.

QSR Local Ad Spending (Billions)



QSR advertising spend is growing exponentially at the local level: in 2019, spending jumped 5% to 4.5B, and, **in the next 4 years it is expected to grow another 29%.**⁴ With 20% of consumers visiting one of the almost 200,000 franchises in the country weekly,⁵ it's no wonder the market opportunity is highly competitive and ripe for new channels to reach today's consumer.

With the surge in OTT and Connected TV viewing, QSR advertisers have a prime opportunity to reach a highly engaged audience with CTV/ OTT advertising.

¹Home Chef Research Study, via New York Post, "Americans spend an absurd amount on takeout," December 2017.

²Vitigene, The Cost of Eating Out vs Cooking at Home, December 2019.

³Revenue of Quick Service Restaurants in the U.S. 2002-2020, Statista, 2021

⁴BIA Advisory Services, Insights in Local Advertising – Quick Service Restaurant Industry, January 2020

⁵Number of Quick Service Restaurant (QSR) Franchise Establishments in the U.S. 2007 - 2020, February, 2020

Why OTT?

OTT provides QSR brands with an ideal blend of digital marketing capabilities with the quality viewing experience of television. Cord-cutters and cord-stackers are an emerging, engaged audience attracted to OTT's curated, live, and on-demand programming.

The addressability in CTV/OTT enables advertisers to zero in on specific audience segments on a home-by-home basis, allowing them to cater their message to the right viewer at the right time. The popularity of OTT viewing with consumers offers tremendous opportunities for local and national advertisers. **This year, over 230 million people are expected to stream OTT – that's 69% of the US population!**⁶

61% of local agency buyers increased OTT & CTV spending in 2020⁷

– Borrell Associates, Local Ad Agency Survey

These dedicated viewers remain in the living room, in fact, for longer than in recent years. The engagement rate among OTT viewership continues to rise - **from Q4 2019 to Q4 2020, there was a 44% increase in streaming hours.**⁸ With a massive 157% increase in viewing hours year-over-year,⁹ it's easy for viewers to engage in a complete-weekend binge.

Locally, **over \$1.2 billion is estimated to be spent on OTT advertising in 2021;**¹⁰ This can be attributed to the rapid growth of OTT platforms and the appeal of combining both linear and OTT for extended audience reach.

Overall, connected TV ad spend is estimated to approach \$11.36 billion in 2021¹¹ – proving that the critical mass of OTT for both advertisers and consumers is impossible to ignore.



⁶eMarketer, OTT Video Service Users, February 2021

⁷Borrell Associates, 2020 Local Ad Agency Survey, December 2020

⁸Conviva, Conviva's Q4 2020 State of Streaming Report

⁹Nielsen, Total Audience Report, February 2020

¹⁰BIA U.S. Local Advertising Forecast 2021, December 2020

¹¹eMarketer, Connected TV Ad Spending, October 2020

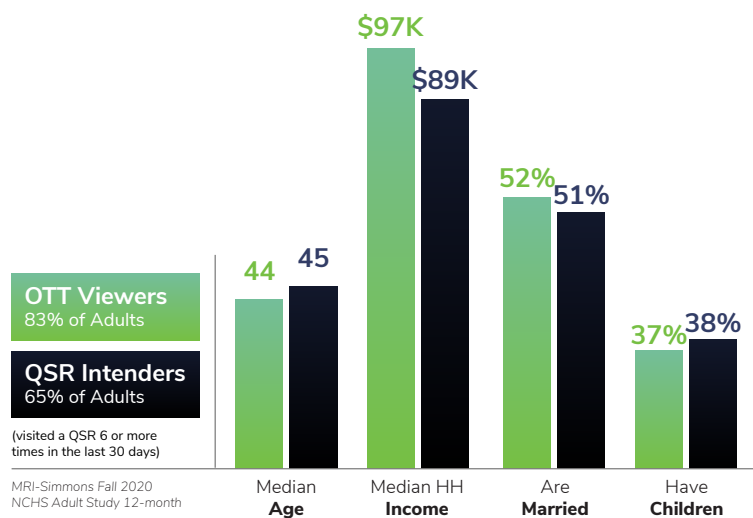
The QSR Audience & OTT

86% of heavy QSR Customers are OTT viewers, and, nearly 70% of those OTT viewers have visited a QSR restaurant 6 or more times in the last 30 days!¹²

For QSR advertisers, OTT provides the opportunity to tailor marketing messages to target viewers in a specific geography, by a certain daypart, or even by consumer habits. This allows them to align their campaigns (and their menu options) with audiences that have a similar lifestyle or analogous characteristics. Consider a QSR with a new late-night menu option; they might want to target adults age 18-54 in suburban or urban areas during a late-night daypart.

As another example, in recent years, some quick-service restaurants have pivoted toward healthier quick-eats options, opening up opportunities to capture a new, health-conscious audience. These health-conscious OTT viewers are receptive, with over half preferring the leaner option when it comes to their menu choices.¹³ Again, addressability in OTT offers QSR the ability to target these health-conscious viewers and eliminate the waste of promoting their alternative menu to the viewer that will always prefer a large fry over a salad.

QSR consumers and OTT viewers align demographically as well, amplifying the QSR opportunity to reach their ideal audience wherever they are watching their favorite content.



	OTT Viewers	QSR Intenders
White	63%	63%
Hispanic	18%	18%
Black	11%	12%
Asian	6%	5%
Other	2%	2%

Source: MRI-Simmons Fall 2020 NCHS Adult Study 12-month

The OTT advantage for QSR doesn't end with audience alignment. The availability of dynamic creative as well as detailed campaign reporting, audience insights, and attribution measurement (both website and location) provide a plethora of options for QSRs to strategize and strengthen their advertising campaigns. Because of the digital foundation that OTT provides, it can prove to be an essential piece of full-funnel QSR marketing and advertising plans.

¹² MRI-Simmons, Fall 2020 NHCS Adult Study 12-month
¹³ MRI-Simmons, Fall 2020 NHCS Adult Study 12-month

Why Choose PREMION?

QSRs need a trusted CTV/OTT advertising partner that can execute locally, reach the right consumers at the household-level, track conversions, and reduce wasted impressions. Premion is a proven partner in driving measurable outcomes for many QSR brands. We've run a multitude of QSR campaigns – from local, regional, and large national chains.

PREMION EXPERTISE QUICK-SERVICE RESTAURANTS

133

Clients

790

Campaigns

1.1B

Impressions

336%

Campaign Growth
(Jan '18 – Dec '20)

Data reflects Premion activity Jan 1, 2018 - December 31, 2020

LEADING THE EVOLUTION IN LOCAL CTV & OTT ADVERTISING



PREMIUM CONTENT

- Live & Video-on-Demand
- 125+ Leading TV & Media Brands
- Upfront & Secure Inventory Deals
- No Short-Form Content
- No Open Exchange Inventory



EXPANSIVE REACH

- Serving Local & Regional Markets in the US
- Multi-Platform Distribution
- Not Limited by Geo Or Subscriber Base
- CTV-Centric for Co-Viewing Amplification
- From Cord-Cutters to Pay-TV Subscribers



AUDIENCE TARGETING

- Household & Behavioral Targeting
- Audience-Centric Packages
- Custom Audience Building
- Data Onboarding
- Premium Data Providers



DETAILED REPORTING

- Client Dashboard
- Network-Level Reporting to the Impression
- Reach and Frequency Metrics
- Conversion Attribution Measurement
- Actionable Campaign Insights

PREMION

ONE SOLUTION. EVERY ADVANTAGE.

CHOOSING A QUALITY OTT PROVIDER

TOP 10 ADVERTISER CHECKLIST

10 Essential Questions Every Buyer Should Ask Before Advertising on CTV/OTT

- How do you source your inventory?
- Do you ever source inventory through Open Exchanges?
- Does your inventory reach both cable/satellite subscribers and cord-cutters?
- What are your tactics to ensure a brand-safe and fraud-free environment?
- What types of audience and geo-targeting do you offer?
- Does your reporting include measurement of reach and frequency?
- Do you provide full network-level reporting transparency?
- Will you share an comprehensive list of providers where inventory can run?
- Do you measure incremental reach against linear broadcast TV audiences?
- What types of attribution do you offer?