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ACSI: Improving Quality Pays Off in Higher Customer Satisfaction for Fast Food; Full-Service Restaurants Dip but Remain Near Top of Index

Consumers Chill on Chipotle; Chick-fil-A Widens Lead; McDonald's Rebounds; Cracker Barrel Leads Full-Service Restaurants

ANN ARBOR, Mich., (June 21, 2016) – Improvements in quality are behind a rebound in customer satisfaction with fast food restaurants, according to a report released today by the American Customer Satisfaction Index (ACSI). Limited-service restaurants post a 2.6-percent gain to 79 on a 100-point scale. The gap between fast food and full-service restaurants narrows, as the latter slides down 1.2 percent to 81.

The ACSI report is based on 4,786 customer surveys collected in March 2016. The complete report is available for free download at http://www.theacsi.org/news-and-resources/customer-satisfaction-reports/reports-2016/acsi-restaurant-report-2016.

"Americans are now spending more money dining out than shopping for groceries," says Claes Fornell, ACSI Chairman and founder. "Fast food restaurants appear to be capitalizing on this trend more than full-service restaurants, maintaining the lower prices and speedy service that has long defined the industry, while also appealing to health-conscious consumers via more diverse offerings and higher-quality ingredients."

Nearly all fast food restaurants achieve higher customer satisfaction, with a notable exception being Chipotle Mexican Grill, which debuted near the top of the industry last year. Chipotle drops 6 percent to 78 after suffering from a spate of food-related illnesses.

"Higher quality drives the improving scores for the industry, but quality issues relating to food-borne illnesses knock down Chipotle," says ACSI Managing Director David VanAmburg. "Just as Netflix's stock took a dive after the singular event of its pricing and Qwikster branding misstep in 2011, Chipotle's stock also has fallen after its food-quality crisis. Netflix rebounded rather quickly, but it can take more time for a restaurant to recover from quality issues."

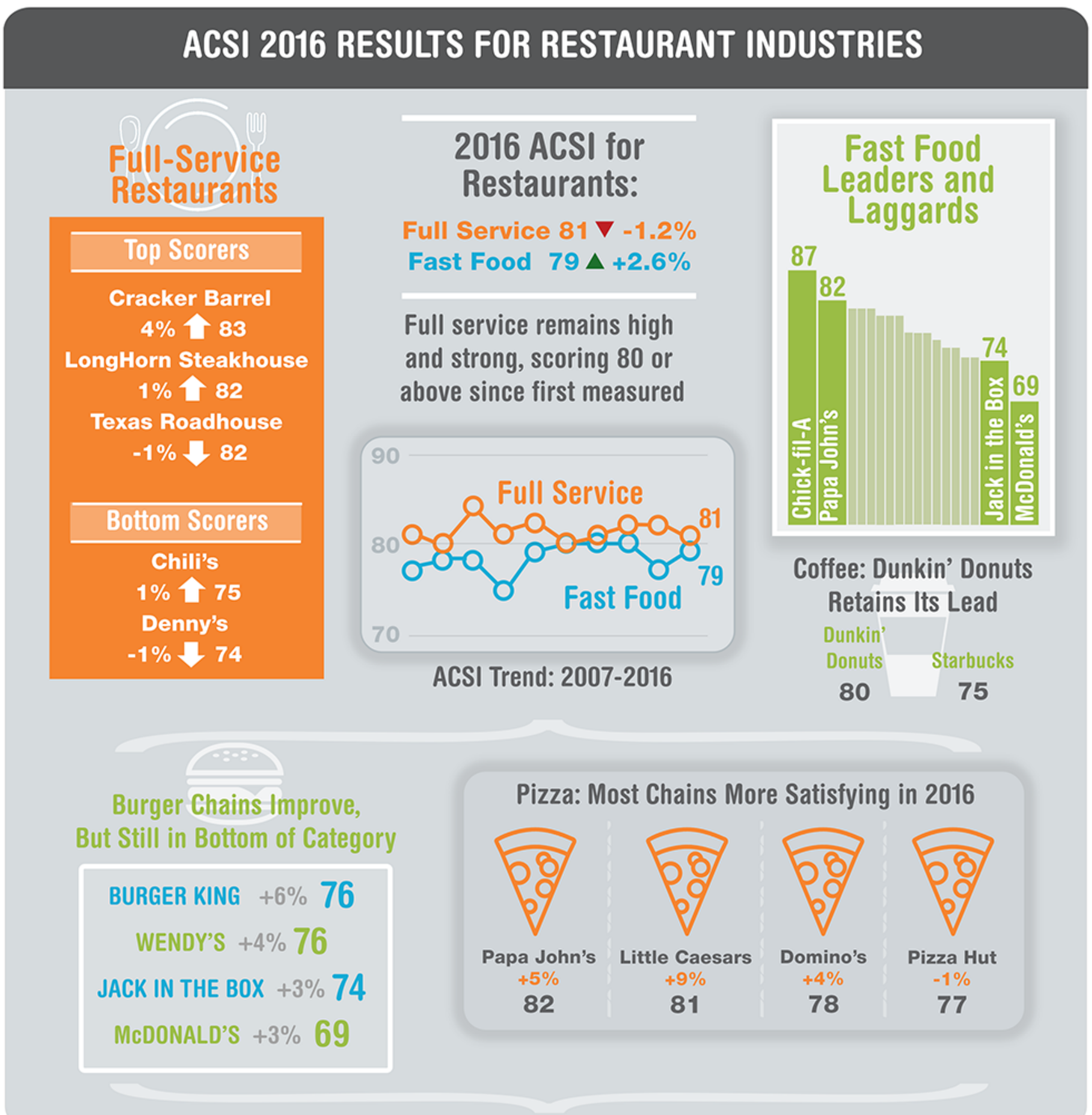
Chick-fil-A, already the top-rated restaurant in the ACSI, shows that product focus has its benefits as the chicken sandwich specialist pulls further ahead with a 1-percent increase to 87. Before Chick-fil-A entered the ACSI, Papa John's often held the top spot in the industry. The pizza chain climbs 5 percent to second place at 82. Little Caesars surges 9 percent to 81, tied with fast casual chain Panera Bread.

Customers are more satisfied at Dunkin' Donuts (+3% to 80) than at Starbucks (+1% to 75). Arby's (+8% to 80) ties Subway (+4%) and both beat the burger chains. Burger King and Wendy's are up

6 percent and 4 percent, respectively, to 76. McDonald's is still in last place among fast food chains, but its all-day breakfast proves popular as customer satisfaction jumps 3 percent to 69.

Full-service restaurants remain one of the highest-scoring industries measured by the ACSI. The industry is also one of the most consistent; this year's score of 81 equals its long-term average. Most large full-service restaurant chains improve, but the industry retreats as smaller restaurants, which make the bulk of the category, fall 2 percent to mirror the average of 81.

Restaurant-retail hybrid Cracker Barrel rises 4 percent to take first place with an ACSI score of 83. Darden's LongHorn Steakhouse (+1%) and Texas Roadhouse (-1%) tie at 82. Olive Garden, also a Darden brand, is up 3 percent to 81. After debuting in last place for customer satisfaction in the industry, Ruby Tuesday is the most improved, jumping 7 percent to 78 and tying TGI Fridays (+3%). Chili's inches up 1 percent to 75, while Denny's slips 1 percent to the bottom with a score of 74.



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About ACSI
The American Customer Satisfaction Index (ACSI) is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States. The ACSI uses data from interviews with roughly 70,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 300 companies in 43 industries and 10 economic sectors, including various services of federal and local government agencies.

ACSI results are released throughout the year, with all measures reported on a scale of 0 to 100. ACSI data have proven to be strongly related to a number of essential indicators of micro and macroeconomic performance. For example, firms with higher levels of customer satisfaction tend to have higher earnings and stock returns relative to competitors. Stock portfolios based on companies that show strong performance in ACSI deliver excess returns in up markets as well as down markets. At the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

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