

Rroll up the grim? One-in-three Tim Hortons customers say their opinion of company is worsening

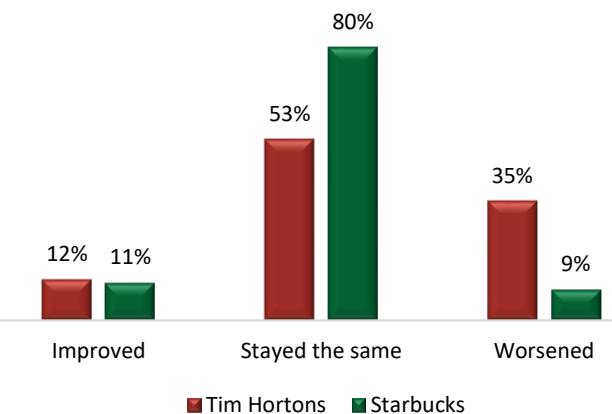
But, just nine per cent of Canadians say they don't buy Tim Hortons products, majority stop in regularly

April 17, 2018 – A brewing conflict between Tim Hortons franchisees and its foreign owned parent company Restaurant Brands International (RBI) appears to be one of a number of factors driving opinions of the iconic coffee chain downward.

The federal government recently announced it will investigate [claims from local owners](#) that cost cutting measures by RBI have led to diminished quality, service and safety at their restaurants. The concerns of franchisees are echoed in a new public opinion study from the Angus Reid Institute, which finds significant portions of Tim Hortons' double-double drinkers – and customers at large - saying their opinion of the restaurant, including their assessment of its quality and prices, has worsened over the past few years.

Tim Hortons, nonetheless, remains a carbs, sugar and caffeine-fueled force in this country: seven-in-ten (70%) Canadians still say that Tim Hortons plays a part when they think of Canadian culture, and six-in-ten (62%) still regularly patronize the company.

In the last few years, would you say your overall opinion of each company has improved, worsened, or stayed the same?



METHODOLOGY:

The Angus Reid Institute conducted an online survey between February 28 and March 2, 2018, among a representative randomized sample of 1,501 Canadian adults. This survey was conducted on the Angus Reid Forum. For comparison purposes only, probability samples of this size would carry a margin of error of +/- 2.5 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding. The survey was self-commissioned and paid for by ARI. Detailed tables are found at the end of this release

More Key Findings:

- Canadians are more likely to hold a favourable view of Tim Hortons, rather than an unfavourable one, by a ratio of more than two-to-one (55% to 25%).
- When considering changes to Tim Hortons over the past five years, Canadians are more likely to say that the quality of food, coffee and service, as well as the prices have worsened rather than improved.
- While Canadians may be feeling more negative about Tim Hortons, they haven't necessarily switched morning coffee shops. One-in-three Canadians (33%) are weekly customers, while a similar number (29%) stop by at least once a month.

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Canadians sour on Tim Hortons as company undergoes changes

The Tim Hortons origin story is one that many Canadians know intimately. A small coffee and donut shop (initially known as Tim Horton's Donut), developed in 1964 by Toronto Maple Leafs legend Tim Horton and a business associate. The company has morphed and shifted along the way, growing to an internationally recognized brand with more than 4,000 stores.

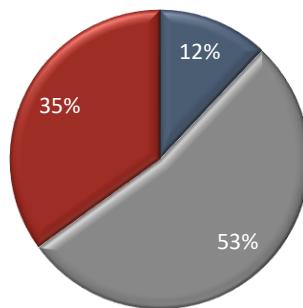
While this growth has been largely positive for the company in economic terms – profits increased 5.2 per cent in 2016 and shares reached all-time highs in 2017 – some involved in the company began to voice concerns after a 2014 takeover of the Canadian brand by Restaurant Brands International. RBI's largest stakeholder, the Brazilian firm 3G Capital, carries a reputation for its “efficiency-drive management style” and “aggressive cost-cutting measures.”

This meant big changes at Tim Hortons.

Hundreds of employees were laid off at the companies head office in Oakville, ON, and at regional offices across the country. Tensions with franchisees have risen since the 2014 takeover, culminating in the organization of the Great White North Franchisee Association – a group representing half of owners in the country, to protect the interests of store owners.

Alongside this organizational change, Canadian opinion appears to have soured on the company. Asked whether their opinion of Tim Hortons has worsened or improved over the past few years, Canadians are four times more likely to say it has worsened.

In the last few years, would you say your overall opinion of Tim Hortons has improved, worsened, or stayed the same?



■ Improved ■ Stayed the same ■ Worsened

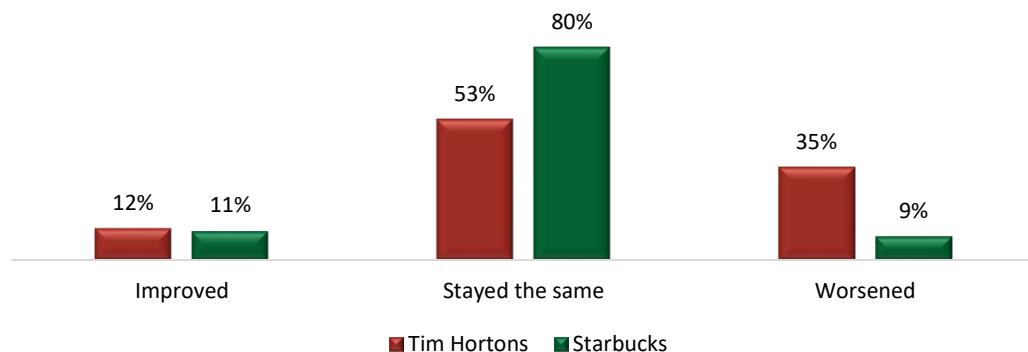
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The company has had other problems, most recently in Ontario. After the provincial government raised the minimum wage to \$14 an hour, two franchisees announced they would be cutting back paid breaks and benefits to recoup costs. A backlash movement called "No Timmy's Tuesday" spawned, alongside other declarations of anger from customers.

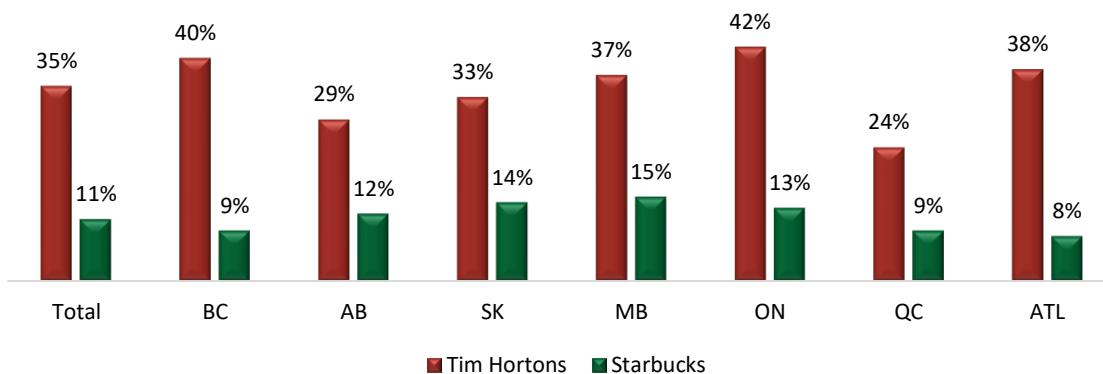
Comparing this to negative opinion to another coffee powerhouse in the country, Starbucks, it becomes more apparent what a significant trend it is. Canadians are much less likely to say their opinion of Starbucks has changed at all, and those who do are slightly more positive than negative.

In the last few years, would you say your overall opinion of each company has improved, worsened, or stayed the same?



Notably, while this is not a trend that diverges by age or gender in a significant way, there is regional difference evident. Residents of Ontario and British Columbia are most negative about Tim Hortons, while Quebecers are the least likely to say their opinions have worsened. In each region, the percentage of those saying they have a more negative view of Tim Hortons vastly outpaces the number saying that of Starbucks.

Percentage of Canadians who say their opinion of each company has worsened in the past few years:



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Prices, quality of service most maligned

While there are a number of areas where Canadians are voicing dissatisfaction with their Tim Hortons experience, one of the areas where they perform best is food quality. The restaurant chain is constantly changing up its menu, and with it have come some hits and some misses.

That said six-in-ten (59%) Canadians say that the quality of the food over the past five years has stayed close to the same, while the other four are split equally between saying it has improved (19%) or worsened (21%).

When it comes to the company's signature coffee, this ratio worsens slightly. While two-thirds say that their double-double has not changed noticeably, a greater number say it has worsened (19%) than improved (14%). Perhaps troubling for Tim Hortons franchisees and investors, the number of Canadians saying Starbucks quality has worsened is less than half in both cases.

In the last five years or so, would you say your overall impression of each of the following aspects of this company has improved, worsened, or stayed the same?			
	The quality of the food		
	Improved	Stayed the same	Worsened
Tim Hortons	19%	59%	21%
Starbucks	13%	77%	10%
The quality of the coffee			
Tim Hortons	14%	67%	19%
Starbucks	13%	80%	7%

There are two areas where Tim Hortons appears to be suffering most in the eyes of their customers

- In terms of the perceived level of service received at Tim's, one-quarter of customers (25%) say it has worsened in recent years – three times the number who say it has improved (8%). By contrast, this is not a trend that extends to Starbucks. While Tim Hortons has a net rating, improved minus worsened, of -17 on quality of service, Starbucks net rating is +5 (13% improved, 8% worsened).
- The final consideration in this change of opinion of customers is price. Here both companies face a fair amount of negativity. While just over half say they haven't noticed a change over the past five years at either coffee shop, at least four-in-ten say prices have worsened.

Tim Hortons raised the price of a cup of coffee by 10 cents in 2014, and again, by another 10 cents in 2017. Starbucks raised the price of a cup of coffee by 20 cents at the tail end of 2017. Some customers of both chains appear to have noticed:

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In the last five years or so, would you say your overall impression of each of the following aspects of this company has improved, worsened, or stayed the same?

The quality of the service			
Tim Hortons	8%	67%	25%
Starbucks	13%	79%	8%
Prices			
Tim Hortons	4%	56%	40%
Starbucks	3%	52%	45%

'Timmy's' still identified as a part of Canadian culture by most

Canadians' opinions about Tim Hortons provide important context for a brand that has deliberately – and successfully – marketed itself as a central component of Canadian culture.

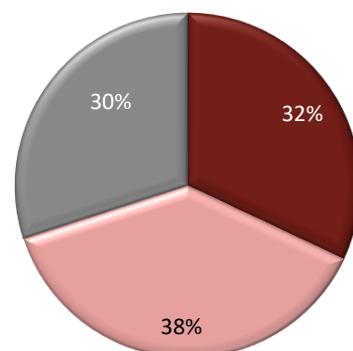
For many Canadians, Tim Hortons is as Canadian as hockey or maple syrup, so the fact that one-in-three (35%) say their opinion of the company has worsened in the last few years speaks to the perceived decline of not just a company, but a national institution.

Related: 88 per cent of Canadians say hockey is an important part of Canadian culture

Asked to quantify the doughnut and coffee chain's significance, seven-in-ten Canadians see Tim Hortons as a part of Canadian culture, though the plurality (38%) say it is only a small part, not an important one, as seen in the following graph:

**Some people say that Tim Hortons holds a special place in Canadian culture.
Which of the following statements is closest to your own view on this?**

- Tim Hortons is an important part of Canadian culture
- Tim Hortons is part of Canadian culture - but only a small part
- Tim Hortons is just a business and has nothing to do with Canadian culture



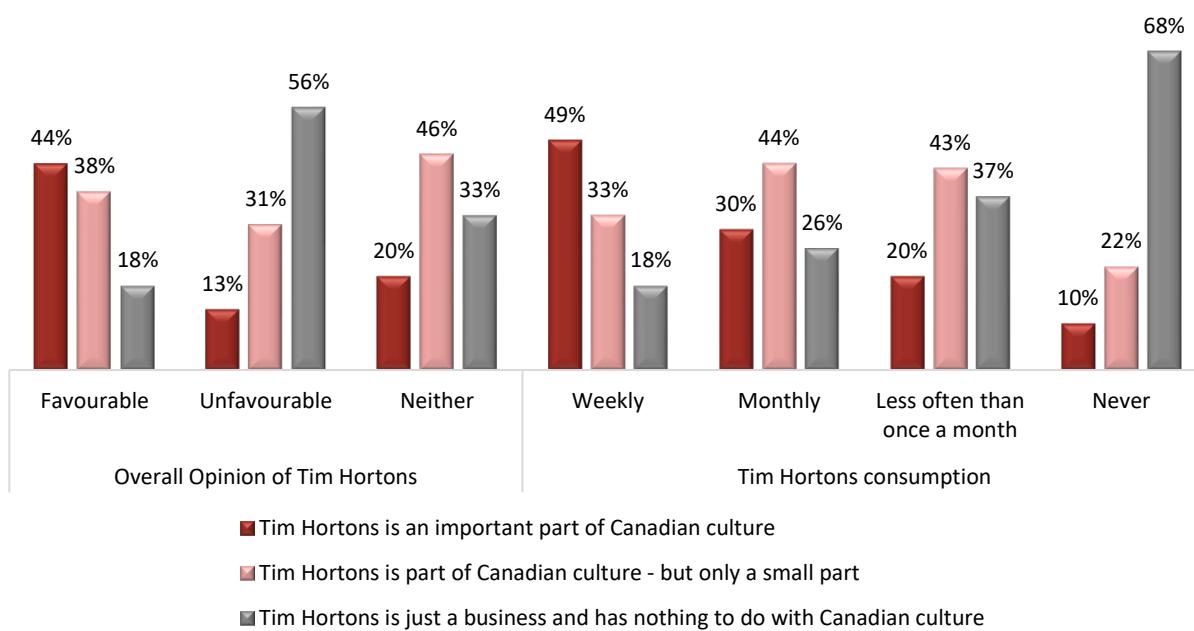
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Those with favourable views of the company are more likely to deem it important, as are those who frequent their local Timmy's on a weekly or monthly basis.

Canadians who never partake in Tim Hortons products, meanwhile, overwhelmingly say the chain is "just a business and has nothing to do with Canadian culture."

**Some people say that Tim Hortons holds a special place in Canadian culture.
Which of the following statements is closest to your own view on this?**



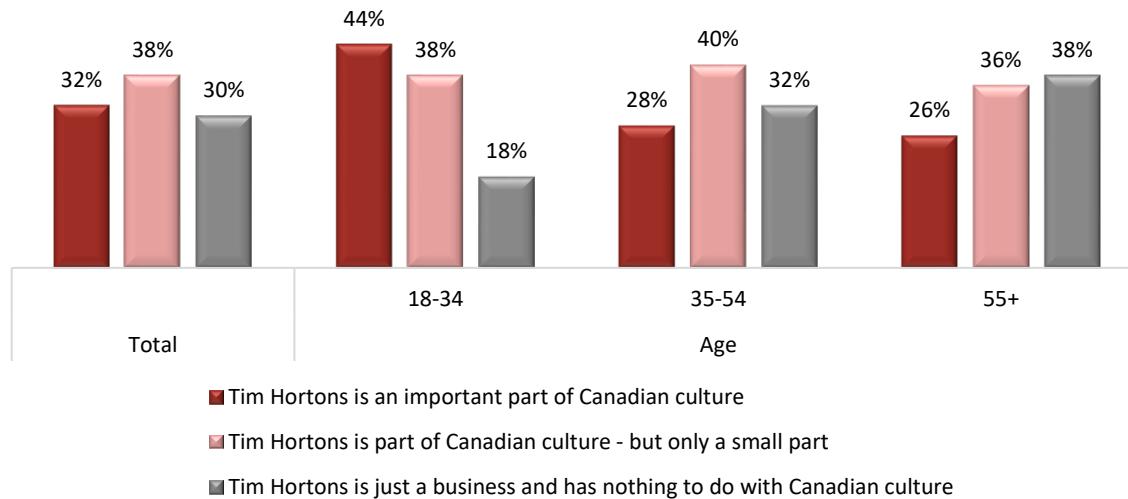
There are also notable differences between generations on this question. Younger Canadians (those ages 18-34) are much more likely to view Tim Hortons as an important part of Canadian culture, and fewer than one-in-five (18%) in this age group say the company is "just a business."

Older age groups are much more likely to say Tim Hortons has nothing to do with Canadian culture, and they're less inclined to see the company as an important part of what it means to be Canadian:

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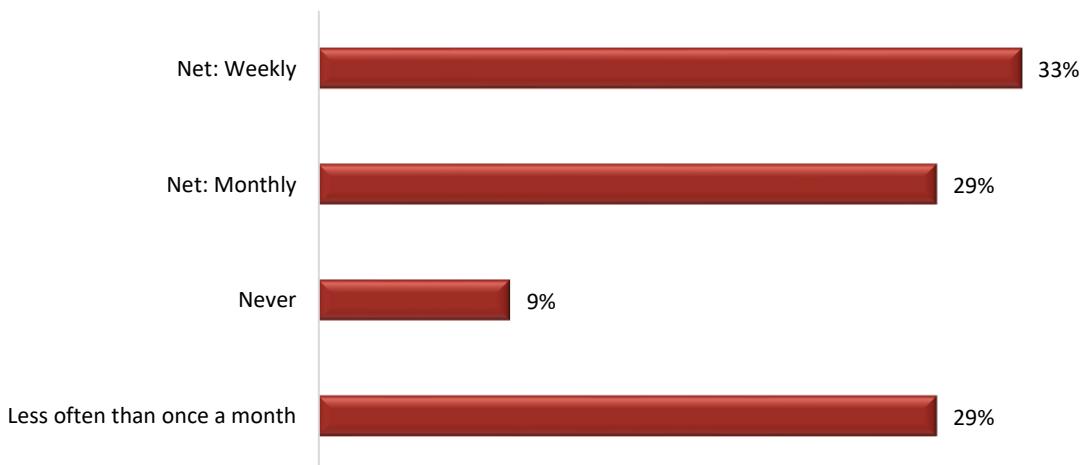


Significant advantage over Starbucks in favourability and patronage

The data from this report certainly suggest that there are concerns for Tim Hortons. This, alongside a dip in the company's stock after the record high posted in October, 2017, represent some difficulty. That said, Tim Hortons is still undeniably a large part of most Canadians lives.

One-in-three Canadians (33%) say they still visit Tim's on a weekly basis, while another three-in-ten (29%) are monthly visitors.

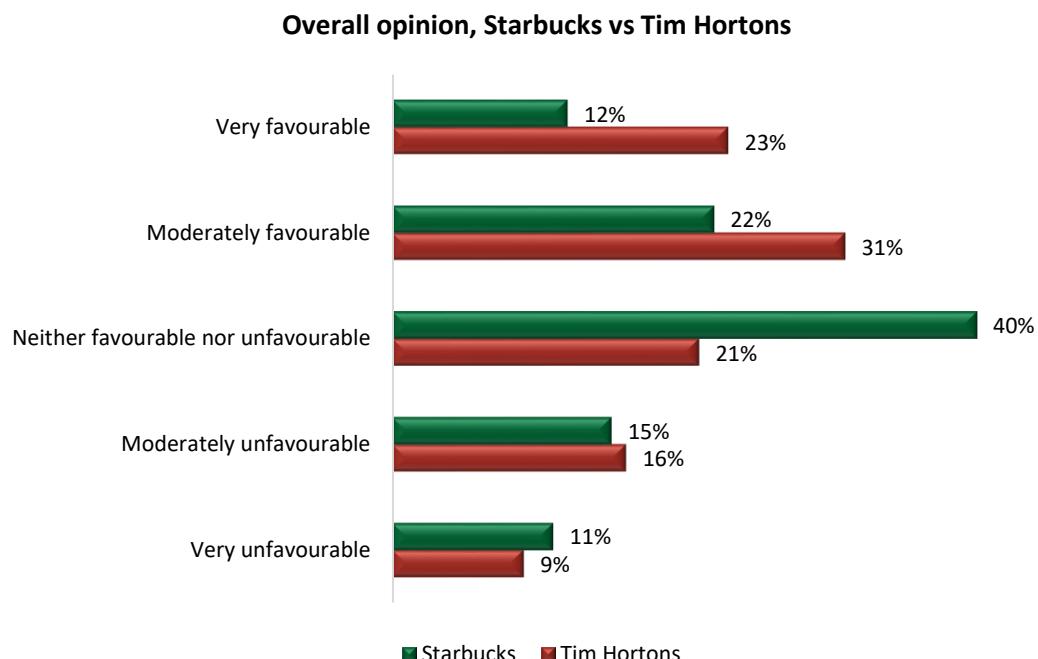
Generally speaking, how often do you yourself purchase or consume products from Tim Hortons?



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Asked for their overall opinion of Tim Hortons, a majority of Canadians (55%) say they hold a favourable view of the company, with one-in-four (23%) saying they view it 'very favourably'. What is immediately evident here is the intensity of opinion for Tim's customers compared to their American counterpart. Canadians are twice as likely to say they have no opinion of Starbucks:



While still positive overall, this is perhaps not the high level of support that some may have expected, given the coffee shops long and storied history in this country. Add in a [reported drop from 4th to 50th](#) in a ranking of Canadian's favourite brands, and it's clear that these are troubling times for Tim's.

The Angus Reid Institute (ARI) was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research foundation established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.

For detailed results by age, gender, region, education, and other demographics, [click here](#).

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Which of the following statements is closest to your own view on this?				
	Total (1501)	Overall Opinion of Tim Hortons		
		Favourable (823)	Unfavourable (368)	Neither (310)
Tim Hortons is an important part of Canadian culture	32%	44%	13%	20%
Tim Hortons is part of Canadian culture – but only a small part	38%	38%	31%	46%
Tim Hortons is just a business and has nothing to do with Canadian culture	30%	18%	56%	33%

Which of the following statements is closest to your own view on this?					
	Total (1501)	Tim Hortons Consumption			
		Weekly (501)	Monthly (434)	Less than once a month (432)	Never (133)
Tim Hortons is an important part of Canadian culture	32%	49%	30%	20%	10%
Tim Hortons is part of Canadian culture – but only a small part	38%	33%	44%	43%	22%
Tim Hortons is just a business and has nothing to do with Canadian culture	30%	18%	26%	37%	68%

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