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Gas Prices Have Diners Over a Barrel

Restaurant goers report reduced frequency and spending

SAN CLEMENTE, CALIF. — With gasoline prices approaching \$3 per gallon on average nationally, a significant percentage of diners report they are reducing their restaurant usage and spending. Compared with a year ago, when gas prices were already at historically high levels, an even greater percentage of diners now report they have reduced the frequency with which they dine out. Likewise, they're also spending less per occasion.

Specifically, the percentage of respondents reporting reduced frequency increased from 31 percent in June 2005 to 35 percent in May 2006. The percentage of consumers spending less per occasion increased from 18 percent to 23 percent over that same period. These findings are gleaned from Sandelman & Associates' *Effect of Gas Prices on Restaurant Frequency & Spending – 2006*.

Females and restaurant goers over 25 years old were more likely to report both reduced frequency and reduced spending. About 38 percent of women report reduced frequency and 25 percent say they've reduced spending, compared with 32 percent of men who report they've reduced frequency and 21 percent who say they're spending less. Females, especially those in the middle age bands, may have been more likely to rely on restaurants for convenient family meals. They may still be eating out, but they're visiting

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less often or trying to reduce the check when eating out by ordering lower priced items or specials.

Middle-income users also seemed to alleviate the pinch of high gas prices with more drastic changes in restaurant usage. Fully 41 percent of those earning between \$25,000 and \$50,000 annually report decreased frequency as a result of increased gas prices and 29 percent in that income bracket report decreased spending.

With respect to both frequency and spending, quick-service restaurants' relatively low price points have helped them fare better than full-service restaurants in consumers' attempts to balance their spending.

The report *Effect of Gas Prices on Restaurant Frequency & Spending – 2006* presents detailed information for May 2006, plus comparisons with June 2005. The report provides details on patronage patterns for quick-service restaurants, casual and family dining restaurants, and fine dining restaurants, plus key demographics. To order a copy, log onto www.sandelman.com/gastrend.

About The Study

In May 2006, Sandelman & Associates conducted a survey on its RestaurantPoll.com Web site, which captures feedback on the restaurant industry. Qualified respondents for this study included 400 males and females between the ages of 18 and 64 who do not work in the foodservice industry and are users of full-service and quick-service restaurants. Respondents were asked a series of questions about the impact of gas prices on their usage and spending habits at quick-service, casual dining, family dining and fine dining restaurants. The same survey was conducted in June 2005.

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Sandelman & Associates is a San Clemente, Calif.-based independent research company that provides the restaurant industry with reliable and easy-to-use consumer feedback.

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