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Press Release

Tipping occasions grow with takeout, fast-casual emergence

Tips surprisingly generous at fast-casual restaurants, particularly from young customers

SAN CLEMENTE, CALIF. — A recent research study, *Tipping at Restaurants*, indicates the incidence of tipping and the mean average tip corresponds to the perceived level and quality of service that is offered by restaurants. As a result, the emergence of fast-casual restaurants over the past five years naturally has added tipping occasions to the American diner's routine. While table service clearly provides motivation for routine and generous tips, even fast-casual restaurant employees have benefited from this trend.

Tips long have been customary at full-service restaurants and rare, if not unheard of, at fast-food restaurants. But fast-casual restaurants are neither full-service nor fast-food. Nonetheless, consumers report that they leave fairly generous tips at fast-casual restaurants, which include popular chains, such as Schlotzsky's, Atlanta Bread Company, Panera Bread, Corner Bakery, Baja Fresh, Chipotle, Boston Market and Panda Express. Tipping is common at fast-casuals despite the fact that these restaurants do not provide table service and offer food that, while perceived to be of higher quality than fast-food, is not as high quality as casual, family or fine dining restaurants.

Dine-in tipping is nearly universal at table-service restaurants. Interestingly, 45 percent of users report tipping all or most of the time during eat-in occasions, even at fast-casual restaurants. Less

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shocking is the fact that tips are left 86 percent of the time at eat-in occasions for family and casual dining restaurants and 92 percent for eat-in occasions at fine dining restaurants.

Whether meals are purchased for carryout or eat-in affects tipping incidence, too, particularly at fast-casual restaurants. Only 11 percent of users report tipping all or most of the time at carryout fast-casual occasions. Carryout tips are more common at family dining (14 percent), casual dining (19 percent) and fine dining (24 percent) restaurants.

Fast-casual tips are fairly generous, too. Tips average 14 percent of the check for satisfactory service for eat-in fast-casual occasions, while tips are marginally better for satisfactory service during eat-in occasions at table-service family and casual dining restaurants. Satisfactory service garners 18 percent gratuities for fine dining servers. Exceptional service earns fast-casual employees 18 percent tips, casual and family dining servers 21 percent tips and fine dining servers 23 percent gratuities. Carryout tips are four to six percentage points lower across all restaurant types, which is still relatively high considering the low level of customer-employee interaction.

Age, income level and gender affect incidence and tip percentage, too. At fast-casual restaurants, 35 to 44 year olds and middle-income users are more likely to tip than other groups. Females are more likely than males to say they always tip on fine dining restaurant occasions; older users (45 to 64) are more likely than their younger counterparts to say they always tip. Young (18 to 24), older (45 to 64) and high-income users are the biggest tippers in general. At fast-casual restaurants, 18 to 24 year olds leave upwards of 20 percent tips for exceptional service.

Additional findings and charts are included in Sandelman & Associates' FREE report *Tipping at Restaurants*. To download a PDF file, log onto www.sandelman.com/REPORTS-TIPPING.

In October 2005, Sandelman & Associates conducted a survey on its RestaurantPoll.com Web site, which captures feedback regarding the restaurant industry. Qualified respondents for this study included 301 males and females age 18 and over who do not work in the foodservice

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industry and are users of full-service and quick-service restaurants. Respondents were asked a series of questions about their tipping habits at several different restaurant types—including fast-casual, family dining, casual dining and fine dining restaurants—for both on-premise and off-premise occasions.

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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