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July 5, 2005 — For Immediate Release

Press Release

High Gas Prices Clearly Impacting Restaurants

Visit frequency is more affected than spending per visit.

VILLA PARK, CA — A recent research study among restaurant users shows that the increasing cost of gasoline has affected their restaurant patronage behavior. While changes were reported in both visit frequency and spending per occasion, frequency declines were more widespread than lower spending. These findings are based on a survey conducted in June, 2005, by Sandelman & Associates on its RestaurantPoll.com web site among 360 male and female panelists, 18-64 years old.

“As would be expected with an economic issue affecting personal spending, the impact of higher gas prices varied among different user groups and restaurant types,” said Bob Sandelman, president of the market research firm. While there were declines in frequency and spending among all restaurant segments, fast food was the least affected segment and fine dining was most impacted by higher gas prices. More than a third of respondents reported visiting fast-food restaurants less often, compared to 42% for casual dining restaurants and fully 60% for fine dining restaurants. Similarly, while 22% reported spending less per visit to fast-food restaurants, 32% have cut back their spending at casual dining restaurants and 43% at fine dining restaurants. “It appears that there may have been some trading down to other restaurant types, with the greatest beneficiary being fast-food restaurants,” Sandelman added.

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The most notable changes in visit frequency were among older users (45+) and those in lower income brackets (\$25,000 or less). While the older users may visit less often, they appear to adhere to their usual eating and spending habits one at the restaurants. Lower income users reported the most significant declines in spending per visit, although less often at fast-food restaurants where the check is already low. Those in the middle-age groups (35-44) also reduced the amount spent per visit, which may be related to their larger average household size. While dining out may still be a necessity of a busy lifestyle, fewer items or lower-priced items may be ordered when money is tighter.

Further information about the report on gasoline prices, as well as other key reports, is available at <http://www.sandelman.com/reports>. Most reports are developed using the enormous database of information that has been collected by Sandelman & Associates from consumers over the past several years. This includes more than 100,000 syndicated telephone interviews that are conducted each year plus more than 125,000 RestaurantPoll on-line surveys that have been submitted over the past five years.

Sandelman & Associates is a Villa Park, CA, based independent research company that provides the restaurant industry with credible and clear feedback from their customers.

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