



# Restaurant Consumer Confidence Index

June 2017 Executive Summary

# Executive Summary

## The results of our third wave for the Restaurant Consumer Confidence index are decidedly mixed:

- Consumers are less confident about their financial outlook than in January compared to one year ago. The April data shows 28% of consumers feeling they are doing worse today than a year ago as compared to 14% in January feeling that they are doing worse
- The trend holds with a view of their financial situation compared to three months ago. In April 21% of consumers said they were doing worse now than three months ago vs. 15% in January.
- When asked how they thought they would be doing financially a year from now 43% of consumers expect to be worse off in a year.
- Asked the same question for the next three months and 29% of consumer expect to be worse off.



# Executive Summary

## The results of our third wave for the Restaurant Consumer Confidence index are decidedly mixed:

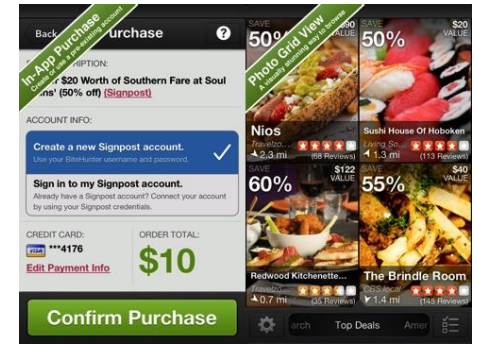
- Importantly the January phase of this research accurately predicted the poor first quarter performance for the restaurant industry
- Consumers are less confident about their financial outlook than in January compared to one year ago. The April data shows 28% of consumers feeling they are doing worse today than a year ago as compared to 14% in January feeling that they are doing worse
- The trend holds with a view of their financial situation compared to three months ago. In April 21% of consumers said they were doing worse now than three months ago vs. 15% in January.
- 29% of consumers told us that they are eating out at restaurants less because of higher health insurance costs
- Expectations for how often consumers will eat in restaurants over the next three months were down almost across the board for segments and dayparts with only dinner at casual dining and fine dining showing any uptick.





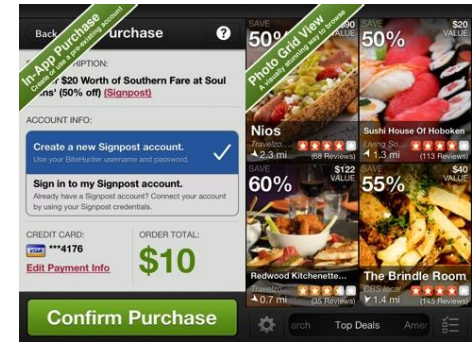
## Challenges Remain for the Restaurant Industry

- We also ask consumer a number of attitude questions about the direction of the country, and what their perceptions of restaurants are, some interesting highlights include:
- Only 27% of consumers have full confidence in the political leader, down from 33% in January
- While 42% of consumers prefer going out to restaurants vs. cooking at home, however 61% of those same consumers feel that restaurant meals are too expensive compared to cooking at home.
- Consumer expectations for restaurant spending also declined from January with only 18% saying they expected to spend more in restaurants over the next year vs. 24% in January.
- Additionally, 41% of consumers would like to eat out more often, but are unable to because of other expenses



## Challenges Remain for the Restaurant Industry

- There are several implications of this top line research specifically:
  - The second quarter of 2017 looks to be rough from a consumer spending and traffic perspective – this may translate into the remainder of 2017
  - Consumers have become more pessimistic about their financial situation today and in the future than they were in January
  - There continues to be a significant value gap between what consumers would like to pay for restaurant meals, and what those meals cost – this is a major opportunity for the restaurant industry to address, and those that will provide better value should see increases in traffic
  - Consumers are continuing to spend less in restaurants because of other expenses – this highlights the need for a better restaurant value proposition



## Methodology

- An online survey of adults representing the demographic and geographic distribution of the US was conducted in April 2017
- Data was collected from respondents over age 18. Sample invitations were distributed based on the 2010 census proportions for age.
- Consumers had to have eaten in a restaurant at least once in the past 30 days to qualify for the survey

## Sample Size

- The total sample size was 1010 respondents
- Margin of Error is +/- 3% at 95% confidence

Comparisons to the second wave of research are in the up or down, red or green arrows where applicable.