



## Restaurant Survey First Quarter 2012

August 2012

On the following pages you will find the results of a Restaurant Survey for the first quarter in 2012.

There will be answers on:

- **Restaurant Sales**
- **Employment**
- **Factors impacting the business**
- **Food costs and menu prices**

The results of this survey (done by the CRFA Canadian Restaurant and Foodservice Association) are considered accurate within +/- 5.5 percentage points 19 times out of 20. In total 308 surveys were submitted, representing 8,464 establishments.

If you are looking for the full restaurant report, feel free to contact your Account Executive or call 403 – 346 5006.

[http://www.crfa.ca/pdf/restaurantoutlooksurvey\\_2012q1.pdf](http://www.crfa.ca/pdf/restaurantoutlooksurvey_2012q1.pdf)

*Central Alberta based for over 30 years*



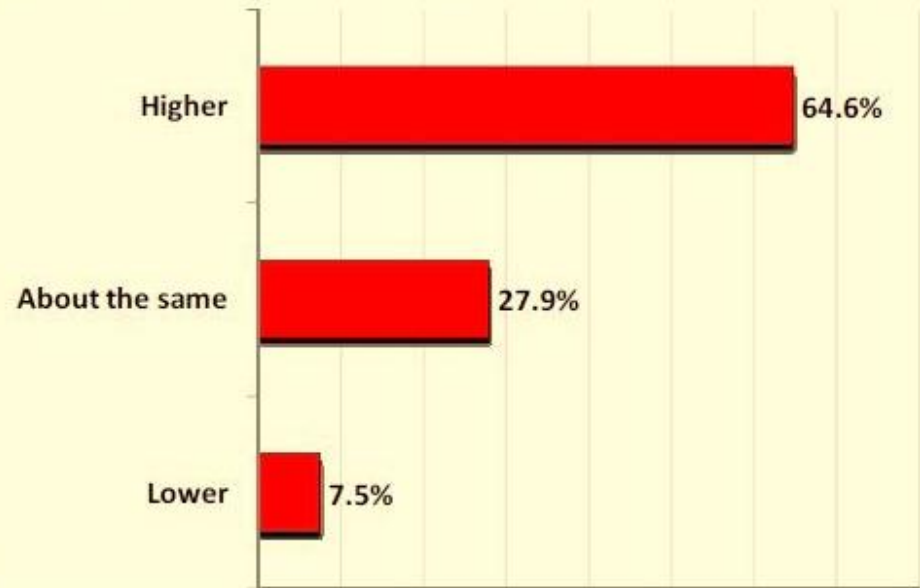
## Restaurant Sales

In the fourth quarter, were your average food costs higher, lower or about the same as the fourth quarter of 2010?

### Facts:

- In Q1 2012, same-store sales rose by a modest 0.6% on a year-over-year basis. This is a slight improvement over the 0.1% decrease in sales reported in Q4 2011.
- Overall, 70% of respondents reported year-over-year same-store sales were either the same or higher in Q1. Just 30% of respondents saw lower sales, down from 34% in Q4.

More than 64% of respondents saw higher average food costs in Q1 of 2012 compared to 72% in Q2 of 2011.



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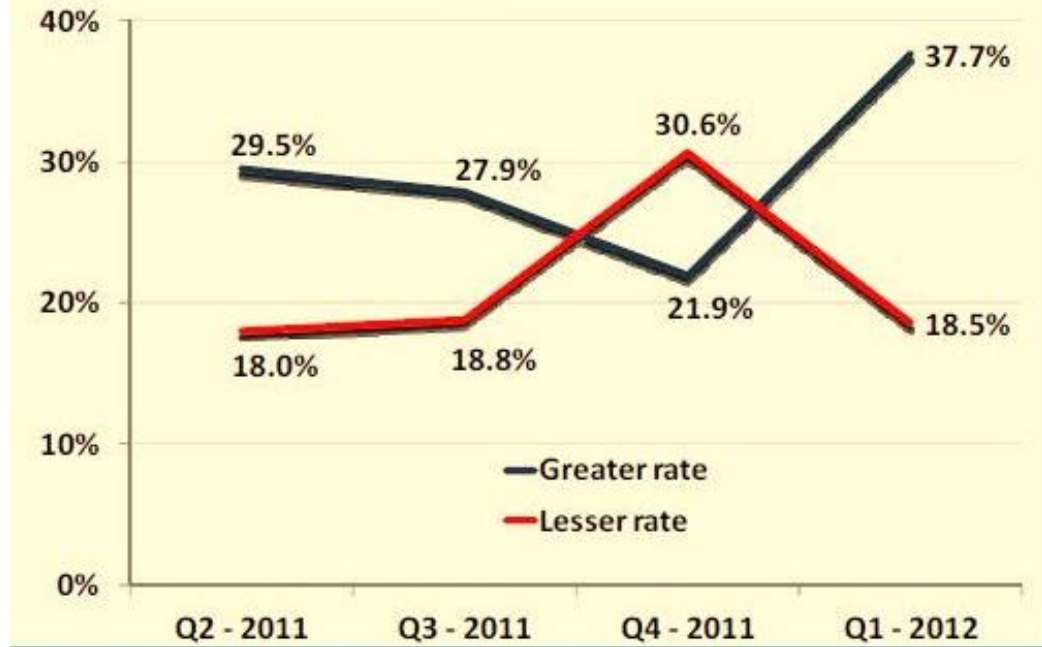
### Restaurant Sales

Over the next 6 month, do you expect your total sales volume (on a same-store basis) will grow at a greater, lesser, or about the same rate as the previous 6 months?

#### Facts:

- The share of respondents that expect weaker sales over the next six months tumbled to 19% in Q1 from 31% in Q4.
- The improved outlook also reflects seasonal trends in the industry as sales are generally higher in the summer months.

The share of respondents that expect their same-store sales will grow at a greater rate over the next six months jumped in Q1.



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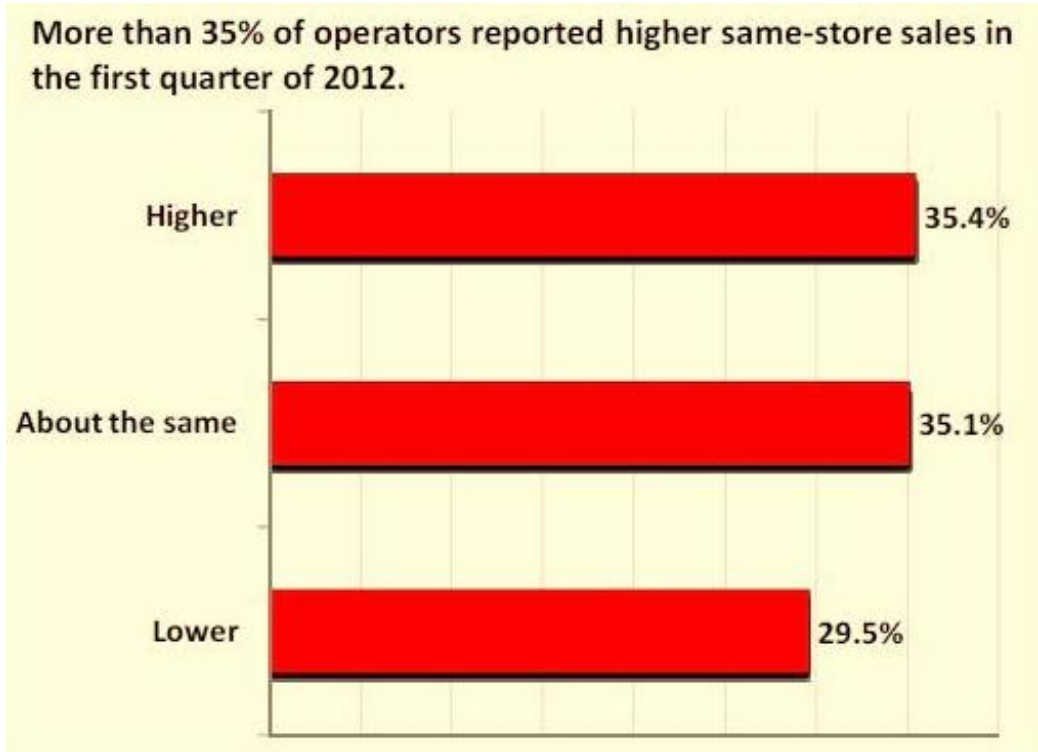


## Restaurant Sales

In the first quarter of 2012, was your total sales volume (on a same-store basis) higher, lower, or about the same versus the same period one year ago?

### Facts:

- Quick-service restaurants are the most optimistic as 46% of respondents expect their same-store sales to accelerate over the next six months compared to 22% that expect their sales to slow.
- 38% of table-service restaurant operators expect same-store sales to grow at a greater rate over the next six months compared to 25% in Q4.



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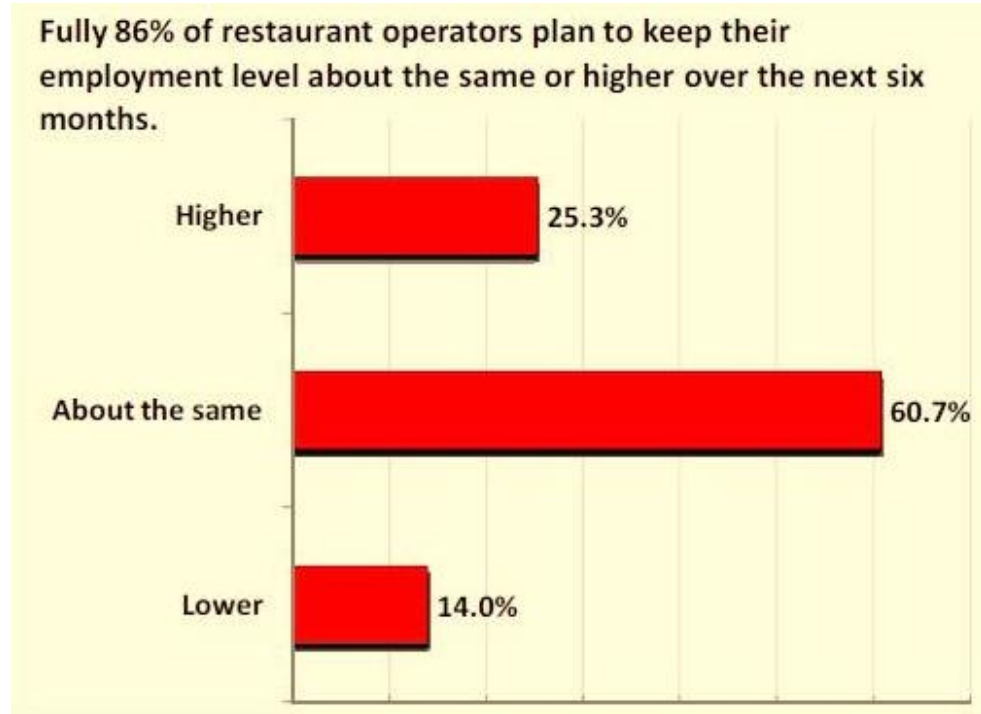


### Employment

Over the next 6 month, is your company’s level of employment expected to be higher, lower, or about the same as the previous 6 month?

Facts:

- With a greater share of operators expecting same-store sales to improve in the next six months, 25% of respondents said they will increase their employment levels over the next 6 months. This is sharp contrast to Q4 when only 12% of respondents expected to increase employment levels.
- The share of operators that will reduce their employment levels over the next 6 months fell to 14% in Q1 compared to 23% in Q4.



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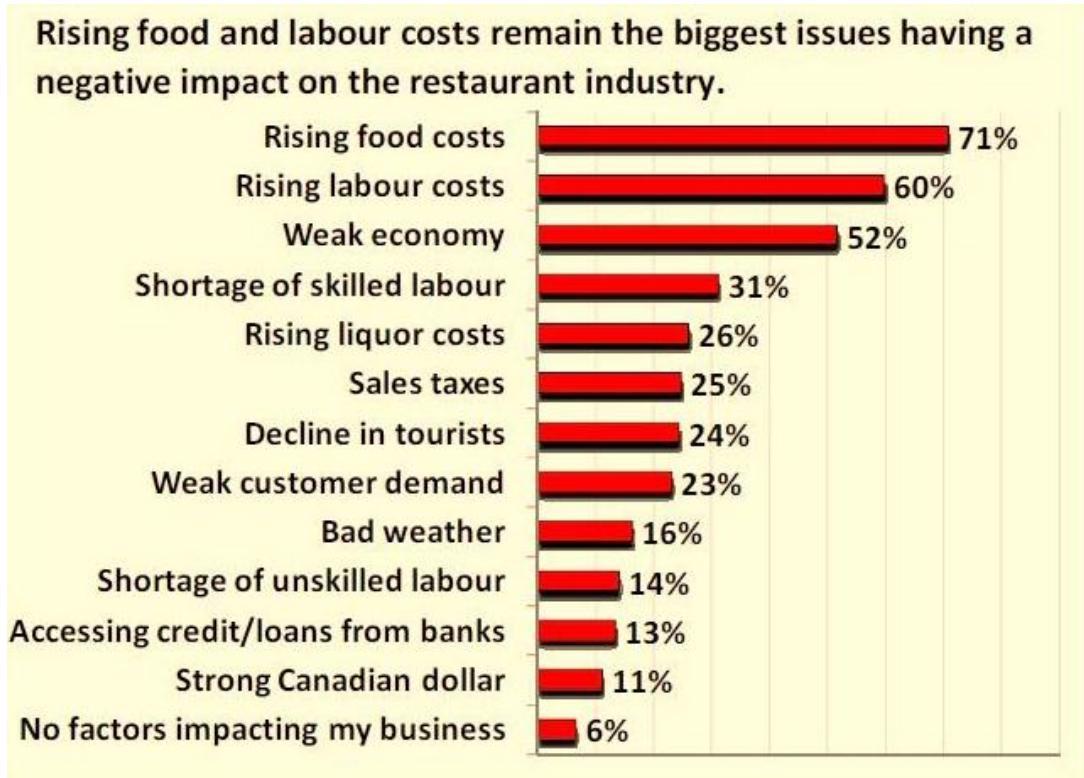


### Factors impacting business

What factors, if any, are currently having a negative impact on your business?

Facts:

- In 2012 rising prices remain the number one concern for 71% of restaurants in Q1. This number has come down from 80% in Q2 of 2011 because of moderate decrease in costs of food globally.
- Under other issues, an increasing share of operators said that rising gasoline prices are affecting their business.



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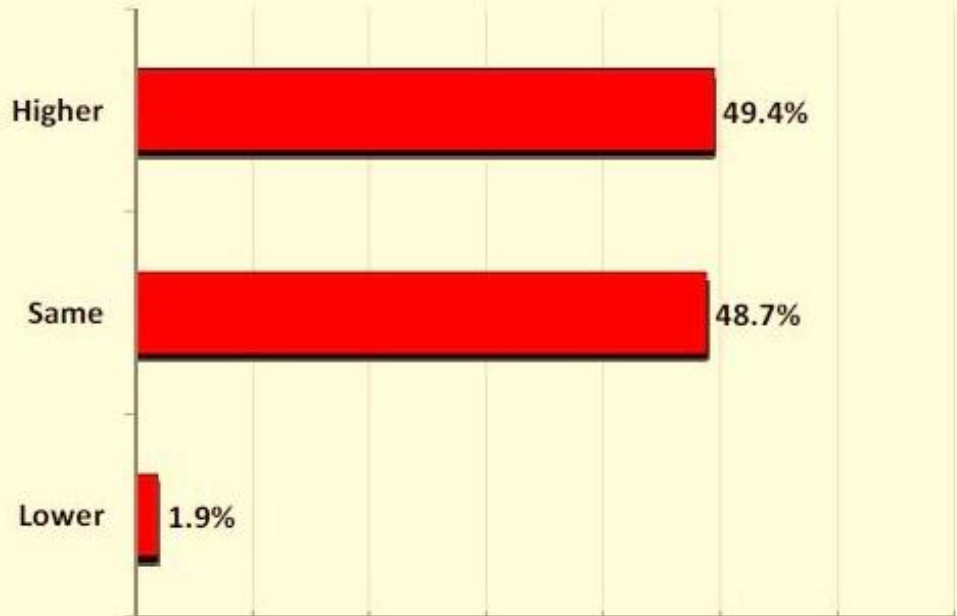
### Food Costs and Menu Prices

Over the next 6 month, do you expect your menu prices to be higher, or the same as the previous six month?

Facts:

- 65% of respondents reported higher food costs in Q1, down from 69% in Q4 and 72% in Q2.
- 52% of table service operators plan to raise menu prices over the next 6 months while 45% plan to keep their prices unchanged.

While half of operators (49%) plan to raise menu prices over the next six months, another 49% will maintain current prices.



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## Summary for the first quarter of 2012

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- **38% of restaurateurs expect sales growth to pick up speed over the next 6 month (compared to 22% of respondents in Q4 of 2011).**
- **19% predict sales growth will slow down (compared to 31% in Q4).**
- **43% expect sales to be about the same.**
- **25% will hire more staff over the next 6 month, compared to just 12% in Q4, and the majority (61%) will maintain employment levels.**

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