

## RESTAURANT SALES

### **1.1 Overview**

The U.S. Census Bureau ([www.census.gov](http://www.census.gov)) publishes estimates of monthly restaurant sales ([www.census.gov/retail/index.html](http://www.census.gov/retail/index.html)). Sales estimates are presented for all food services and drinking places (NAICS Code 722) and three sub categories, as follows: full-service restaurants (NAICS Code 7221), limited-service restaurants (NAICS Code 7222), and drinking places (NAICS Code 7224).

### **1.2 Total Sales**

Sales for all food services and drinking places have been as follows:

- 2006: \$422.8 billion
- 2007: \$444.6 billion
- 2008: \$456.4 billion
- 2009: \$452.4 billion
- 2010: \$467.5 billion
- 2011: \$495.8 billion
- 2012: \$524.9 billion
- 2013: \$542.2 billion
- 2014: \$575.2 billion
- 2015: \$621.7 billion
- 2016: \$658.6 billion

### **1.3 Full-Service Restaurant Sales**

Sales for full-service restaurants have been as follows:

- 2006: \$186.1 billion
- 2007: \$195.5 billion
- 2008: \$197.1 billion
- 2009: \$194.0 billion
- 2010: \$198.9 billion
- 2011: \$214.1 billion
- 2012: \$227.6 billion
- 2013: \$234.6 billion
- 2014: \$252.3 billion
- 2015: \$274.8 billion
- 2016: \$291.4 billion

## **1.4 Limited-Service Restaurant Sales**

Sales for limited-service restaurants have been as follows:

- 2006: \$178.2 billion
- 2007: \$186.0 billion
- 2008: \$194.1 billion
- 2009: \$195.0 billion
- 2010: \$203.5 billion
- 2011: \$214.3 billion
- 2012: \$226.1 billion
- 2013: \$235.7 billion
- 2014: \$248.4 billion
- 2015: \$269.3 billion
- 2016: \$285.8 billion

## **1.5 Bar and Night Club Sales**

Sales for drinking places have been as follows:

- 2006: \$19.3 billion
- 2007: \$19.9 billion
- 2008: \$20.2 billion
- 2009: \$20.0 billion
- 2010: \$20.2 billion
- 2011: \$20.6 billion
- 2012: \$21.5 billion
- 2013: \$21.5 billion
- 2014: \$21.7 billion
- 2015: \$22.4 billion
- 2016: \$23.7 billion

## **1.6 Sales By Month**

In 2016, monthly sales for all food services and drinking places were as follows:

- January: \$50.2 billion
- February: \$51.7 billion
- March: \$56.1 billion
- April: \$56.6 billion
- May: \$57.3 billion
- June: \$54.9 billion
- July: \$56.3 billion
- August: \$55.4 billion
- September: \$54.3 billion
- October: \$55.6 billion
- November: \$53.1 billion
- December: \$57.1 billion

## MARKET SUMMARY

### **2.1 Overview**

There are nearly one million restaurant and foodservice locations in the United States. The restaurant share of the food dollar is approximately 47%. The industry employs 14.7 million people.

### **2.2 Industry Sales**

The National Restaurant Association ([www.restaurant.org](http://www.restaurant.org)) assessed total restaurant industry sales at \$798.7 billion in 2017, an increase of 4.3% from the previous year. Adjusted for inflation, 2017 projected restaurant-industry sales represent a 1.7% gain over 2016, up from the 1.5% gain in 2016 over 2015.

Distribution of sales for 2017 are assessed as follows:

#### **COMMERCIAL RESTAURANT SERVICES**

- Restaurants: \$551.7 billion
- Managed services: \$ 53.6 billion
- Retail-host restaurants: \$ 42.3 billion
- Hotel restaurants: \$ 36.1 billion
- Recreation, sports, mobile, vending, and other: \$ 32.9 billion
- Bars and taverns: \$ 19.8 billion
- Total: \$736.4 billion

#### **NONCOMMERCIAL RESTAURANT SERVICES**

- Total: \$ 59.7 billion

#### **MILITARY RESTAURANT SERVICES**

- Total: \$ 2.7 billion

The National Restaurant Association estimated food and beverage sales for restaurant and foodservice segments in 2017 as follows (change from 2016 in parenthesis):

#### **EATING AND DRINKING PLACES**

- Full-service restaurants: \$263.0 billion (3.5%)
- Quick-service restaurants: \$233.7 billion (5.3%)
- Snack and nonalcoholic beverage bars: \$ 40.8 billion (6.0%)

• Bars and taverns:	\$ 19.8 billion (2.5%)
• Social caterers:	\$ 8.6 billion (4.0%)
• Cafeterias, grill-buffets, and buffets:	\$ 5.7 billion (-3.5%)
• Total:	\$551.6 billion (4.4%)

### **RETAIL AND LODGING**

• Retail-host restaurants:	\$ 42.3 billion (3.5%)
• Hotel/accommodation restaurants:	\$ 36.1 billion (4.3%)
• Recreation and sports (cinemas, bowling lanes, recreation, sport centers):	\$ 17.7 billion (6.1%)
• Vending and non-store retailers:	\$ 14.3 billion (4.3%)
• Mobile caterers:	\$ 967 million (5.4%)
• Total:	\$111.4 billion (4.3%)

### **FOODSERVICE CONTRACTOR-MANAGED SERVICES**

• Colleges and universities:	\$ 17.4 billion (5.1%)
• Manufacturing and industrial plants:	\$ 9.0 billion (4.0%)
• Primary and secondary schools:	\$ 7.1 billion (3.5%)
• Recreation and sports centers:	\$ 7.4 billion (5.8%)
• Hospitals and nursing homes:	\$ 6.6 billion (6.0%)
• Commercial and office buildings:	\$ 3.3 billion (4.2%)
• In-transit foodservice (airlines):	\$ 2.6 billion (3.8%)
• Total:	\$ 53.4 billion (4.8%)

### **NONCOMMERCIAL RESTAURANT SERVICES**

(Businesses, educational, governmental, or institutional organizations which operate their own restaurant services)

• Hospitals:	\$ 18.4 billion (3.8%)
• Recreation and sports centers:	\$ 8.8 billion (3.6%)
• Nursing homes:	\$ 9.5 billion (2.3%)
• Colleges and universities:	\$ 8.6 billion (4.1%)
• Primary and secondary schools:	\$ 7.5 billion (3.0%)
• Community centers:	\$ 3.8 billion (5.2%)
• Transportation:	\$ 2.5 billion (2.1%)
• Employee restaurant services:	\$ 411 million (0.9%)
• Total:	\$ 59.5 billion (3.5%)

### **MILITARY RESTAURANT SERVICES**

• Officer and NCO clubs (open mess):	\$ 1.8 billion (2.6%)
• Military exchanges:	\$ 899 million (3.8%)
• Total:	\$ 2.7 billion (3.0%)

### **2.3 Revenue Distribution**

According to the National Restaurant Association, revenue distribution for restaurant segments is as follows:

#### **Full-Service**

- Food sales: 79%
- Beverage sales: 21%

#### **Limited-Service**

- Food sales: 86%
- Beverage sales: 4%
- Other: 10%

### **2.4 Restaurant Sales Growth**

According to the National Restaurant Association, sales growth for the restaurant industry is as follows:

	<b>Current Dollar Growth</b>	<b>Real (Inflation-Adjusted) Growth</b>
• 2000:	5.5%	3.0%
• 2001:	4.6%	0.8%
• 2002:	5.3%	1.2%
• 2003:	4.5%	2.1%
• 2004:	6.2%	3.0%
• 2005:	5.3%	2.2%
• 2006:	4.7%	1.6%
• 2007:	4.8%	1.0%
• 2008:	3.5%	-0.9%
• 2009:	-0.4%	-2.8%
• 2010:	3.0%	0.5%
• 2011:	4.1%	1.6%
• 2012:	4.2%	1.3%
• 2013:	3.8%	0.8%
• 2014:	3.6%	1.2%
• 2015:	3.8%	1.5%
• 2016:	4.3%	1.7%

### **2.5 Restaurant Expenditures**

According to the National Restaurant Association, expenses for full-service restaurants are distributed as follows:

- Cost of food and beverages sold: 32%
- Salaries and wages: 30%
- Restaurant occupancy costs: 7%

- General and administrative expenses: 3%
- Pretax income: 4%
- Other (including direct operating expenses, marketing, utility services, maintenance, depreciation, administrative, interest, and corporate overhead): 24%

Expenses for limited-service restaurants are distributed as follows:

- Cost of food and beverages sold: 33%
- Salaries and wages: 30%
- Restaurant occupancy costs: 6%
- Pretax income: 8%
- General and administrative costs: 3%
- Other: 20%

The National Restaurant Association estimates annual food and beverage purchases by restaurants (including bars and taverns) at \$152.2 billion. Managed foodservice spending is estimated at \$17.8 billion.

## **2.6 Restaurant Performance Index**

The National Restaurant Association publishes a monthly Restaurant Performance Index (RPI), a composite index that tracks the health of and outlook for the U.S. restaurant industry. The RPI is released and made available at [www.restaurant.org](http://www.restaurant.org) on the last business day of each month.

The RPI is constructed so that the health of the restaurant industry is measured in relation to a steady-state level of 100. Index values above 100 indicate that key industry indicators are in a period of expansion, while index values below 100 represent a period of contraction for key industry indicators.

The RPI consists of two components: the Current Situation Index and the Expectations Index. The Current Situation Index measures current trends in four industry indicators (same-store sales, traffic, labor, and capital expenditures). The Expectations Index measures restaurant operators' six-month outlook for four industry indicators (same-store sales, employees, capital expenditures, and business conditions).

Figure 2.1 shows the RPI since 2004.

## **2.7 Market Resources**

National Restaurant Association, 2055 L Street NW, Suite 700, Washington, DC 20036. (202) 331-5900. ([www.restaurant.org](http://www.restaurant.org))

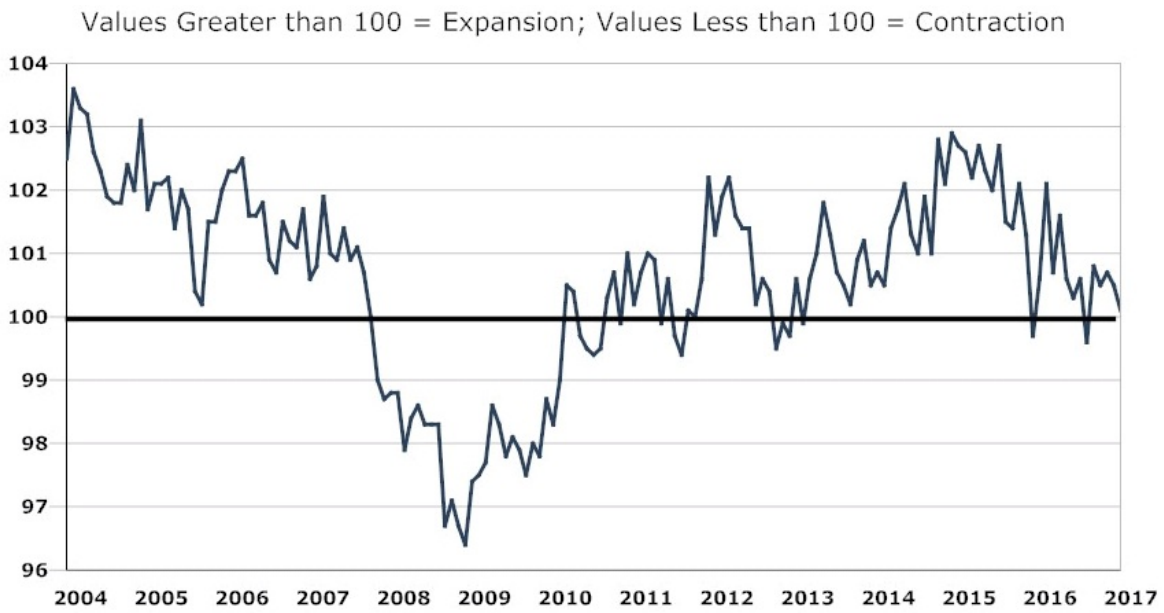


Figure 2.1. Restaurant Performance Index. (Source: National Restaurant Association)

## CUSTOMER SATISFACTION

### **22.1 Overview**

The American Customer Satisfaction Index (ACSI, [www.theacsi.org](http://www.theacsi.org)) is a national economic indicator of satisfaction with the quality of products and services available to U.S. household consumers. Established in 1994, the ACSI produces indices of customer satisfaction on a 0-100 scale.

The ACSI is based on about 70,000 interviews conducted annually, with 250 to 260 interviews completed per company/agency. Industry sample sizes vary from 750 to 10,000, depending on the number of measured companies in each industry.

The ACSI is produced by the Stephen M. Ross Business School at the University of Michigan ([www.bus.umich.edu](http://www.bus.umich.edu)), in partnership with the American Society for Quality ([www.asq.org](http://www.asq.org)) and the international consulting firm CFI Group ([www.cfigroup.com](http://www.cfigroup.com)). ForeSee Results ([www.foreseeresults.com](http://www.foreseeresults.com)) sponsors the e-commerce and e-business measurements.

### **22.2 ACSI Scores**

The ACSI scores for restaurant sectors have been as follows:

	<b>Full-Service</b>	<b>Limited-Service</b>
• 2007:	81	77
• 2008:	80	78
• 2009:	84	78
• 2010:	81	75
• 2011:	82	79
• 2012:	80	80
• 2013:	81	80
• 2014:	82	80
• 2015:	82	77
• 2016:	81	79
• 2017:	78	79

### **22.3 Customer Satisfaction Scores**

ASCI scores from 2017 surveys and change from 2016 scores for restaurant chains are as follows:



### **Full-Service Restaurants**

• Cracker Barrel:	84 (1.2%)
• Texas Roadhouse:	82 (no change)
• Olive Garden:	81 (no change)
• Red Lobster:	81 (2.5%)
• Outback Steakhouse:	80 (3.9%)
• Applebee's:	79 (no change)
• Ruby Tuesday:	78 (no change)
• Chili's:	77 (2.7%)
• LongHorn Steakhouse:	77 (-6.1%)
• TGI Fridays:	76 (-2.6%)
• Denny's:	76 (2.7%)
• Red Robin:	73 (-8.8%)
• All Others:	78 (-3.7%)
• Sector average:	78 (-3.7%)

### **Limited-Service Restaurants**

• Chick-fil-A:	87 (no change)
• Panera Bread:	82 (1.2%)
• Papa John's:	82 (no change)
• Subway:	81 (1.3%)
• Arby's:	80 (no change)
• Dunkin' Donuts:	79 (-1.3%)
• Chipotle Mexican Grill:	79 (1.3%)
• Little Caesars:	78 (-3.7%)
• KFC:	78 (no change)
• Domino's:	78 (no change)
• Starbucks:	77 (2.7%)
• Burger King:	77 (1.3%)
• Wendy's:	76 (no change)
• Taco Bell:	76 (1.3%)
• Pizza Hut:	76 (-1.3%)
• Jack in the Box:	75 (1.4%)
• McDonald's:	69 (no change)
• All others:	82 (1.2%)
• Sector average:	79 (no change)

### **22.4 Market Resources**

American Customer Satisfaction Index (ACSI), 625 Avis Drive, Ann Arbor, MI 48108. (734) 913-0788. ([www.theacsi.org](http://www.theacsi.org))

Foresee Results, 2500 Green Road, Suite 400, Ann Arbor, MI 48105. (800) 621-2850. ([www.foreseeresults.com](http://www.foreseeresults.com))