

THOUGHT LEADERSHIP FROM THE BDO RESTAURANT PRACTICE

BENCHMARKING UPDATE

SEGMENT AVERAGES Q3-14

	SAME STORE SALES		COMMODITY PRICE INDICES FLUCTUATIONS		
	Thru Q3-14	FY 2013	Thru Q3-14	FY 2013	
QUICK SERVE	2.1%	1.5%	BEEF	24.1%	0.0%
FAST CASUAL	2.9%	2.1%	POULTRY	6.6%	3.8%
CASUAL	1.1%	0.6%	PORK	19.0%	3.6%
UPSCALE CASUAL	-0.2%	1.2%	CHEESE	10.3%	2.2%
PIZZA	3.6%	2.8%	WHEAT	-1.0%	0.0%
GRAND AVERAGE	1.5%	1.3%	BASKET	5.5%	1.5%

Source: data.bls.gov

	COST OF SALES					
	Thru Q3-14	Thru Q3-13	(Fav) Unfav	FY 2013	FY 2012	(Fav) Unfav
QUICK SERVE	31.7%	32.0%	-0.3%	32.0%	32.2%	-0.2%
FAST CASUAL	29.6%	29.3%	0.3%	29.4%	28.9%	0.5%
CASUAL/UPSCALE CASUAL	28.9%	28.9%	0.0%	28.9%	29.1%	-0.2%
PIZZA	26.7%	26.1%	0.6%	26.1%	25.2%	0.9%
GRAND AVERAGE	29.5%	29.4%	0.1%	29.4%	29.4%	0.0%

	LABOR					
	Thru Q3-14	Thru Q3-13	(Fav) Unfav	FY 2013	FY 2012	(Fav) Unfav
QUICK SERVE	29.1%	29.4%	-0.3%	29.3%	29.7%	-0.4%
FAST CASUAL	29.1%	29.1%	0.0%	29.3%	28.8%	0.5%
CASUAL/UPSCALE CASUAL	33.0%	32.8%	0.2%	32.9%	32.5%	0.4%
PIZZA	27.4%	27.7%	-0.3%	27.7%	28.0%	-0.3%
GRAND AVERAGE	31.0%	30.9%	0.1%	31.0%	30.8%	0.2%

	PRIME COSTS					
	Thru Q3-14	Thru Q3-13	(Fav) Unfav	FY 2013	FY 2012	(Fav) Unfav
QUICK SERVE	60.6%	61.3%	-0.7%	61.1%	61.7%	-0.6%
FAST CASUAL	58.8%	58.4%	0.4%	58.7%	57.7%	1.0%
CASUAL/UPSCALE CASUAL	61.6%	61.4%	0.2%	61.6%	61.2%	0.4%
PIZZA	54.1%	53.8%	0.3%	53.8%	53.2%	0.6%
GRAND AVERAGE	60.2%	60.1%	0.1%	60.3%	59.9%	0.4%

HOW DO YOU COMPARE TO YOUR COMPETITION?

We compiled the operating results of publicly traded restaurant companies to provide you with timely benchmarking information. Our past benchmarking surveys of medium-sized private companies indicated, on average, their prime costs were higher than public companies by 1–2 percent. However, high-quartile participants (best performing) in our surveys had prime costs 3 percent lower than the average public company.

Cost of sales includes food and beverage for all segments. Quick serve and fast casual segments also include packaging costs. Labor costs include restaurant level wages, payroll taxes, and benefits.

Same-store sales increased across most segments, with the pizza, fast casual, and quick serve segments seeing the most significant growth with increases of 3.6 percent, 2.9 percent, and 2.1 percent through Q3, respectively. Popeyes and El Pollo Loco led the quick serve segment. The fast casual segment was paced by Chipotle yet again, which saw same-store sales increase 17.0 percent through Q3. Papa John's led the pizza segment with a 9.1 percent increase through Q3.

Cost of sales and labor remained consistent across most categories. An increase in beef and poultry costs was partially offset by decreases in pork and cheese commodity costs during the quarter. Restaurants continue to address rising costs with menu price increases and effective inventory and labor management. Commodities are expected to continue to increase into the near future.

**Prior results have been restated to conform to current-year data availability.*