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**COMPANIES MENTIONED IN THIS REPORT:**

**CORE COVERAGE**

COMPANY	TICKER	PAGE
<b>QSR</b>		
McDonald's	MCD	6
Sonic	SONC	7
Burger King	BKW	8
Wendy's	WEN	9
Jack in the Box	JACK	10
Bojangles'	BOJA	11
Popeye's	PLKI	12
KFC	YUM	13
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Taco Bell	YUM	15
Pizza Hut	YUM	16
Domino's	DPZ	17

**FAST CASUAL**

Chipotle	CMG	18
Starbucks	SBUX	19
Wingstop	WING	20

**CASUAL**

Applebee's	DIN	21
IHOP	DIN	22
Chili's	EAT	23
Chuy's	CHUY	24
Longhorn	DRI	25
Olive Garden	DRI	26
Red Robin	RRGB	27

**INDUSTRY BUSINESS CONDITIONS:**

**SAME STORE SALES (SSS) & TRAFFIC (Compass RCR Coverage):**

	SSS		Traffic
Industry	=	2.5%	Industry = <0.4%>

**CONSUMERS AND OPERATORS PROVIDE THEIR TAKE:**

- **OPERATORS:** Confidence second highest in 35 years – focus on hiring quality employees.
- **CONSUMERS:** Confidence continues to improve – view of personal finances strengthens.

**MARGINS:**

- 18% of our contacts reported an increase in costs during June.

**SALES DRIVING INITIATIVES:**

- Publicly traded restaurant chains utilize multiple platforms for brand messaging:
  - **Fine Dining** – Primary focus: 60% Seasonal Classics. Secondary focus: 40% Special Occasion, 30% Loyalty Program.
  - **Casual Dining** – Primary focus: 65% Price Value. Secondary focus: 50% New Menu Items; 20% Curbside Service; 10% Delivery.
  - **Fast Casual** – Primary focus: 65% Quality Ingredients. Secondary focus: 40% LTO's; 40% Core Menu Items.
  - **QSR** – Primary focus: 70% Value Pricing. Secondary focus: 50% LTO's; 40% Loyalty Club; 30% Delivery.

**HEADLINE NEWS (see pg. 5 for details):**

- **Joint Employer Model** in jeopardy from NYC proposal.
- **Gasoline Prices** Were Down in June.
- **Food Halls** – The new Food Courts.

**JULY OUTLOOK/TRENDS**

- **Brands that will perform well:**
  - Applebee's
  - Burger King
  - Domino's
  - McDonald's
  - Popeye's
- **Brands that will perform poorly:**
  - Bojangles'
  - Chili's
  - Starbucks

▪ "Mean" Source on Charts on pages 6-25 – Company Filings