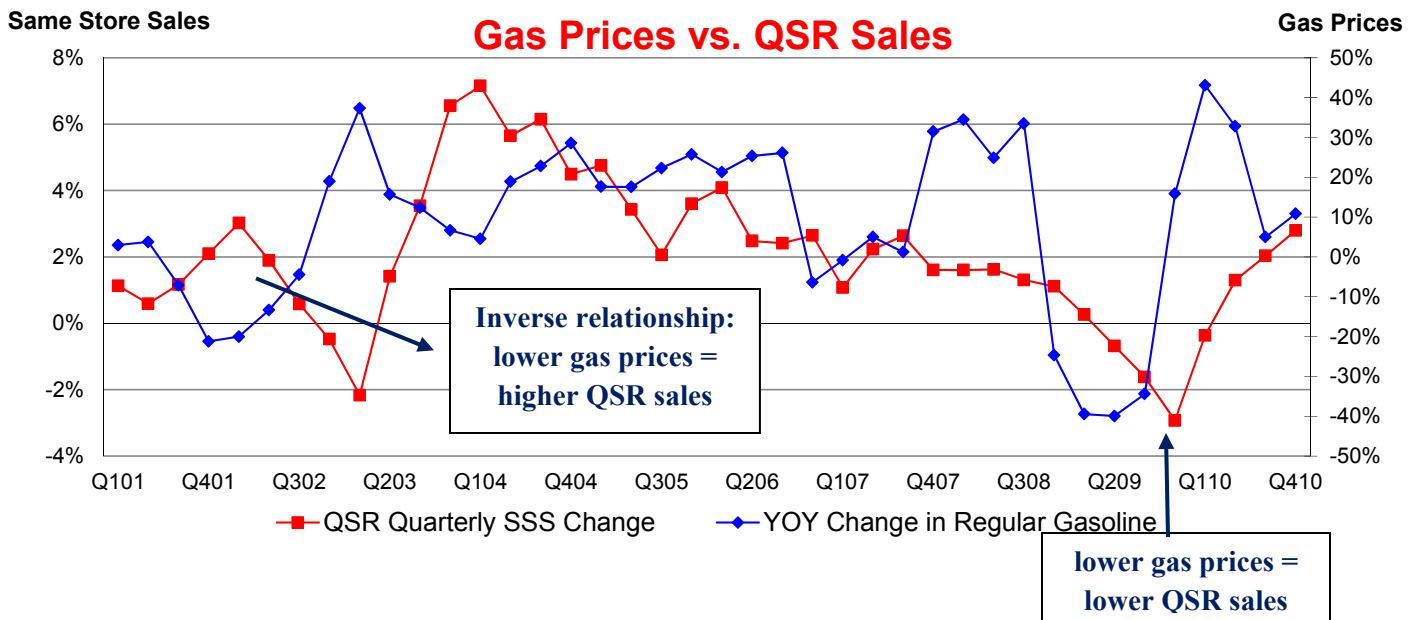


Restaurant Research Think Piece – March 2011

Gas Prices' Diminishing Impact on QSR Sales

During the turn of the century, there was an interesting story to tell about the inverse relationship between gas prices and fast food sales as you can see from the chart below. However, more recently it seems that there has been a decoupling between this historic inverse relationship. Notice that during 2009 gas prices deflated at a time when QSR same-store-sales also fell-off - it seems that lower gas prices failed to provide the boost to consumer spending that it once did. We believe this reflects a change in consumer psychology with the public now more likely to save what they can from cheaper pump prices as opposed to spending their new found coin. In conclusion, this is not to say that higher gas prices will not impede QSR sales, just that lower gas prices won't necessarily help...



Sources: RR & www.eia.doe.gov

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