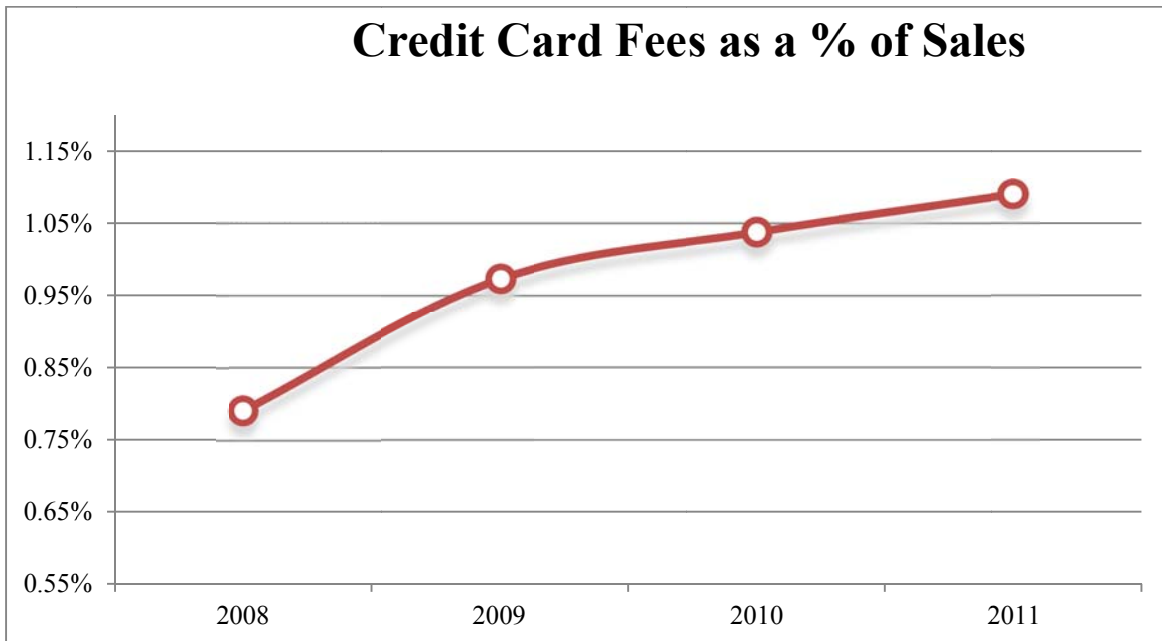


Efficient Research Solutions & Value-Added Insight

Restaurant Research Think Piece – February 2012

Do Credit Cards Actually Decrease Unit Level Profitability?

- Our ongoing discussions about rising restaurant costs led us to the following data from DelaGet (based upon a survey of ~330 units spanning 7 QSR concepts). As DelaGet rightly points out, restaurant operators have been conditioned to believe that increasing credit card sales drives higher average tickets, higher sales and higher profitability. However, in reality, the industry practice of rolling-out credit card payment capabilities has led to higher processing fees (for sure) with less clear top-line benefits. We believe this represents another example of restaurant operator profit "squeeze".
- What is the answer to credit card creep? New business models! Technology like DelaGet's cloud solutions (see below) certainly could represent one answer...



Source: DelaGet

**DelaGet** helps multi-unit restaurant operators put more money on their top and bottom lines by providing low-cost, cloud-based information services such as loss prevention, payroll, and operational and financial reporting. DelaGet serves a client base of more than 7,000 restaurants and processes data associated with nearly 1 billion transactions annually. Learn more at [www.DelaGet.com](http://www.DelaGet.com).

Keep-up with profitability trends by ordering **Restaurant Research's Unit Economic Database (35 Concepts)** which provides clients with 5 years of franchisee and company unit economic data by chain plus access to source data gathered from lenders, FDDs and 10-Ks. For information on how to order please contact us at (203) 405-1901 or [info@ChainRestaurantData.com](mailto:info@ChainRestaurantData.com).

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Restaurant Research LLC leverages an extensive network of industry players as part of its annual Concept Benchmark Analysis due diligence process for 22 large US restaurant chains. Also, RR tracks store level data for all major chains with system-wide sales in excess of \$1B across all major restaurant segments in order to produce 11 key Industry Data Topic reports.

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