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**CHARLTON
RESEARCH
COMPANY ■**

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PACIFIC DINING CAR RESTAURANT

AND

SOUTHERN CALIFORNIA

BUSINESS ASSOCIATION

DECEMBER 11, 1993 - JANUARY 15, 1994

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METHODOLOGY

MODE: Telephone Survey

FIELD DATES: December 11th - January 15th,
1994

SAMPLE SIZE: Random sample of restaurant
owners and managers in Los
Angeles N=300

MARGIN OF ERROR: $\pm 5.7\%$

QUESTIONNAIRE: 20 Questions; Approximately 5
minutes in length

This report was prepared for The Southern California Business
Association on behalf of The Pacific Dining Car Restaurant.

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**Summary of Findings from
L.A. Restaurant Managers/Owners Survey**

The following are the key findings from a telephone survey of restaurant managers and owners in L.A. The survey was conducted between December 11, 1993 and January 15, 1994. A random sample of three hundred managers and owners were interviewed; the margin of error is +/- 5.7%.

- Over one-half of the restaurants say that the new smoking ordinance has had an impact on the amount of business they do.
- Among those who cited an impact on their business, 94% say the smoking ordinance has decreased the amount of business they do. Twenty-eight percent of all restaurant managers and owners also know of another restaurant in their area that has been negatively impacted.
- The average amount of decrease in restaurant's revenues due to the smoking ordinance is 24% or \$11,113. These figures are based on averaging the individual responses (percentage and dollar amounts in increases and decreases) for all of the restaurants who said their business was impacted.
- The most frequently cited problems resulting from the ban include: loss of smoking customers (50%); general loss of business (12%); customer complaints (10%); loss of foreign customers (8%); and customers going to neighboring cities (5%).

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- When all restaurants were queried about possible impacts, the smoking ban's overall impact is evident.
 - Fifty-four percent of all restaurants have lost some of their regular customers.
 - Another 43% say they have increased customer complaints.
 - One-third, 33%, of all restaurants have had reservations decrease.
 - One out of six, 16%, of all restaurants have had to lay off employees.
- Almost three-quarters, 72%, of restaurants say that the Mayor and City Council should modify the smoking ban to allow restaurants in Los Angeles to set their own policies.

If you have any questions please contact Paul Holm, Vice President of Charlton Research Company, at 415/981-2343.

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PERSONAL AND CONFIDENTIAL**RESTAURANT MANAGERS/OWNERS SURVEY**

January 1994
[n=300]

Interviewer: _____
Time Start: _____
Time End: _____

Date: _____

Record:
Male - 78% [RECORD]
Female - 22

Hello I'm _____ from the Charlton Research Company, a national research firm. We are doing a very short survey of restaurant owners and managers in Los Angeles to determine the economic impact of the smoking ban. This is not a sales call, and will take less than five minutes.

A. Is [ASK FOR NAME ON LIST:] _____ in?

Yes _____ 1 [CONTINUE]
No _____ 2
[IF 'NO,' SCHEDULE CALL BACK]

B. Are you the owner or a manager of this restaurant?

Yes, Owner _____ 26%
Yes, Manager _____ 74
No [ASK FOR OWNER/MANAGER] _____ -

C. Was your restaurant already 100% non-smoking before August?

Yes _____ 1 [TERMINATE]
No _____ 2

D. How would you generally describe this restaurant? [READ:]

Fast Food _____ - [TERMINATE]
Coffee Shop _____ 6
Moderately priced _____ 83
Expensive _____ 10
Other [SPECIFY: _____] 1

1. Has the new smoking ordinance had any impact on the amount of business your restaurant has done?

Yes ----- 55%
No ----- 43 [GO TO Q6]
Don't Know [DO NOT READ] ----- 2

2. [IF 'YES' IN Q1] Has it increased or decreased the amount of business your restaurant has done? [WAIT FOR RESPONSE, ASK:] Is that (increased/decreased) a lot or somewhat? [N=165]

Increased/a lot ----- 1% [GO TO Q6]
Increased/somewhat ----- 4 [GO TO Q6]
Don't Know [DO NOT READ] ----- 2
Decreased/somewhat ----- 50
Decreased/a lot ----- 44

3. [IF 'INCREASED/DECREASED' IN Q2] What would you estimate to be the percentage in increase/decrease of your overall revenues? 24% decrease [RECORD VALUE]

4. [IF 'INCREASED/DECREASED' IN Q2] And what dollar amount would you estimate that increase/decrease to be per month? \$11.113 decrease [RECORD VALUE]

5. [IF 'YES' IN Q1] What specific problems has the smoking ban had on your restaurant? [PROBE:] And what else?

	1st Mentions	Total Mentions
Customer Complaints	10%	10%
Loss of Smoking Customers	50	51
Specific Loss of Foreign Customers	8	8
General Loss of Business	12	12
Customers Going to Neighboring Cities	5	5
Law is Unfair	1	1
Should Be Up to the Restaurant Owner	2	2
None/Nothing	4	4
Other Mentions	1	1
Don't Know	8	8

Has the smoking ban had any of the following impacts on your restaurant?

	<u>Yes</u>	<u>No</u>	<u>D/K</u>
6. Caused you to have to lay off employees	16%	84	-
7. Lost some regular customers	54%	44	2
8. Increased customer complaints	43%	57	*
9. Decreased reservations	33%	64	4

10. Does your restaurant have a bar?

Yes _____ 49%
No _____ 50 [SKIP TO Q13]
Don't Know [DO NOT READ] _____ 1

11. [IF YES IN Q10] Do you serve food in the bar? [N=147]

Yes _____ 70%
No _____ 30 [SKIP TO Q13]
Don't Know [DO NOT READ] _____ *

12. [IF YES IN Q11] Have you had an increase in food sales in the bar since the smoking ban? [N=103]

Yes _____ 43%
No _____ 55
Don't Know [DO NOT READ] _____ 2

13. Do you think the new L.A. Mayor and City Council should modify the smoking ban to allow restaurants to set their own policy?

Yes _____ 72%
No _____ 19
Don't Know [DO NOT READ] _____ 9

Now, I have just a few demographics . . .

14. How large is your restaurant? 126 seats [RECORD VALUE]

15. Did you have a non-smoking section before the new ordinance?

Yes _____ 82%
No _____ 18
Don't Know [DO NOT READ] _____ -

16. What is your approximate gross revenues? \$1,021,950 year [RECORD VALUE]

17. Finally, do you know of any restaurant that has been negatively impacted by the smoking ban?

Yes _____ 28%
 No _____ 62 [SKIP TO Q19]
 Don't Know [DO NOT READ] _____ 9

18. [IF 'YES' IN Q17] Could you give us the restaurant's name and a contact there?

Restaurant: _____

Contact: _____

19. May I have your name for verification purposes? _____

[RECORD:]

20. Zip Code _____

THANK YOU, VERY MUCH FOR PARTICIPATING.

++++
 I HAVE RE-READ THIS COMPLETED QUESTIONNAIRE AND CERTIFY THAT ALL
 QUESTIONS REQUIRING ANSWERS HAVE BEEN APPROPRIATELY FILLED AND THAT
 THIS INTERVIEW HAS BEEN OBTAINED FROM THE INDIVIDUAL DESIGNATED.

INTERVIEWER: _____ DATE: _____

NOTE: THIS INTERVIEW IS THE SOLE PROPERTY OF CHARLTON RESEARCH
 COMPANY. ANY ATTEMPT TO DUPLICATE OR SELL THE CONTENTS
 CONSTITUTES AN ILLEGAL ACT AND IS SUBJECT TO PROSECUTION.

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CHARLTON RESEARCH

RESTAURANT MANAGERS/OWNERS SURVEY

12 December 93

OPEN-END VERBATIMS AND CODE HEADINGS

QUESTION 5:

What specific problems has the smoking ban had on your restaurants?

01 CUSTOMER COMPLAINTS:

CUSTOMERS COMPLAIN ABOUT NOT BEING ABLE TO SMOKE THEY JUST
DON'T FEEL
RIGHT / A LOT OF CUSTOMERS HAVE COMPLAINED ABOUT THE BAN,
AND DON'T COME
AS OFTEN AS THEY USED TO / CUSTOMERS HAVING PROBLEM WITH NOT
BEING ABLE TO
SMOKE IN RESTAURANT--THEY COMPLAIN THAT IT'S VERY
INCONVENIENT TO HAVE TO
GO OUTSIDE TO SMOKE /

02 LOSS OF SMOKING CUSTOMERS:

LOSS OF REGULAR SMOKING CUSTOMERS / WE LOST SOME REGULAR
CUSTOMERS / WE'VE
LOST A LOT OF REGULAR SMOKING CUSTOMERS / LOSS OF REGULAR
SMOKING
CUSTOMERS / A LOT OF GOOD CLIENTS--BIG SPENDERS--HAVE STOPPED
COMING HERE
BECAUSE OF THE BAN / LOSS OF SMOKING CUSTOMERS / IT'S HARD TO
TELL WHETHER
IT'S THE ECONOMY OR THE SMOKING BAN THAT HAS CAUSED OUR
DECREASE IN THE
BUSINESS, BUT I'M SURE THE SMOKING LAW HASN'T HELPED / SMOKERS
COME INTO
THE RESTAURANT, AND WHEN THEY FIND OUT THEY CANNOT SMOKE
THEY EITHER LEAVE
OR JUST HAVE COFFEE / WE HAVE A LOT OF BUSINESS MEETINGS, AND
THE PEOPLE
LIKE TO SMOKE AFTER THEY DINE--THEY'VE STOPPED HAVING
MEETINGS HERE / ALL

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THE RESTAURANTS IN THE AREA SAY THE SAME THING: SMOKING CUSTOMERS HAVE LEFT, AND NON-SMOKING CUSTOMERS HAVEN'T TAKEN UP THE SLACK /

03 SPECIFIC LOSS OF FOREIGN CUSTOMERS:

ARMENIANS SMOKE A LOT, AND THEY DON'T COME ANYMORE--THEY WERE A LOT OF OUR REGULAR CUSTOMERS / LOST REGULAR CUSTOMERS AND TOURIST TRADE--ESPECIALLY EUROPEANS AND SOUTH AFRICANS / BUSINESSMEN AND JAPANESE SMOKE A LOT AND WE'VE LOST MOST OF THEIR BUSINESS THEY GO ELSEWHERE TO SMOKE AND EAT AND RELAX / THE TOURISTS WON'T COME HERE BECAUSE OF NO SMOKING, LIKE JAPANESE AND EUROPEANS / MOST OF OUR CUSTOMERS ARE FROM EUROPE AND WANT TO SMOKE / THIS IS A CHINESE RESTAURANT AND ORIENTALS SMOKE A LOT THEY GO TO OTHER TOWNS WHERE THEY CAN SMOKE AND EAT / JEWISH, RUSSIAN AND ROMANIAN , CUSTOMERS DON'T UNDERSTAND WHY THEY CAN'T SMOKE / 90% OF MY CUSTOMERS SMOKE--MANY OF THEM COME FROM FOREIGN COUNTRIES, AND THEY JUST DON'T COME BACK WHEN THEY KNOW WHAT THE NEW RULES ARE ON SMOKING /

04 GENERAL LOSS OF BUSINESS:

LOSS OF MONEY, LOSS OF CUSTOMERS / MY RENT HAS GONE UP AND MY REVENUE DOWN, AND I'D LIKE TO KILL THE GUY WHO DID THIS TERRIBLE THING! / HAS HAD A DEVASTATING FINANCIAL EFFECT ON US / LOSS OF CUSTOMERS / THIS LAW IS BAD FOR THE ECONOMY OF RESTAURANTS / PEOPLE SEE THE NO SMOKING SIGN AND THEY LEAVE /

05 CUSTOMERS GOING TO NEIGHBORING CITIES:

WE HAVE ANIMOSITY AMONG THE CUSTOMERS, SENDING THEM TO BEVERLY HILLS AFTER

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THEY CANCEL THEIR RESERVATIONS / A LOT OF OUR CLIENTELE GO
TWO BLOCKS AWAY
WHERE SMOKING IS STILL ALLOWED / CUSTOMERS SEE THE SIGN AND
THEY LEAVE--
THEY GO TO ALHAMBRA / GOOD CUSTOMERS WHO WERE WITH ME FOR
YEARS NOW GO TO
OTHER RESTAURANTS WHERE THEY CAN SMOKE, EAT DINNER AND
RELAX / SMOKERS
TEND TO SPEND A LOT OF MONEY--NOW THEY'RE SPENDING IT
SOMEWHERE ELSE /
LOSS OF REGULAR CUSTOMERS THAT NOW GO TO ALHAMBRA /
BUSINESS WILL DECREASE
WHEN WEATHER TURNS BAD, BECAUSE MY SMOKING CUSTOMERS SIT IN
THE PATIO
OUTSIDE AND WILL GO ELSEWHERE WHEN IT'S COLD /

06 LAW IS UNFAIR/SHOULD BE STATEWIDE IF AT ALL:
SHOULD APPLY TO THE WHOLE STATE / IT'S NOT FAIR FOR JUST ONE
AREA / WE
DON'T HAVE ROOM FOR A PATIO FOR SMOKING--IT IS UNFAIR /

07 SHOULD BE UP TO EACH RESTAURANT OWNER:
IT DOESN'T BELONG IN THE HANDS OF CITY COUNCIL--PROPRIETORS
SHOULD HAVE
CONTROL OVER SMOKING IN THEIR OWN RESTAURANTS /

98 OTHER MENTIONS:
THE FANATICS WHO PUSHED NO SMOKING DON'T USUALLY EVEN EAT
OUT THE
TRADITIONAL PERSON WHO EATS OUT DOESN'T CARE ABOUT SMOKING--
WE SUFFER
BECAUSE OF THIS /

97 NO, NONE, NOTHING:

99 DON'T KNOW: