

The State
of Restaurants
in 2023

Dallas Report

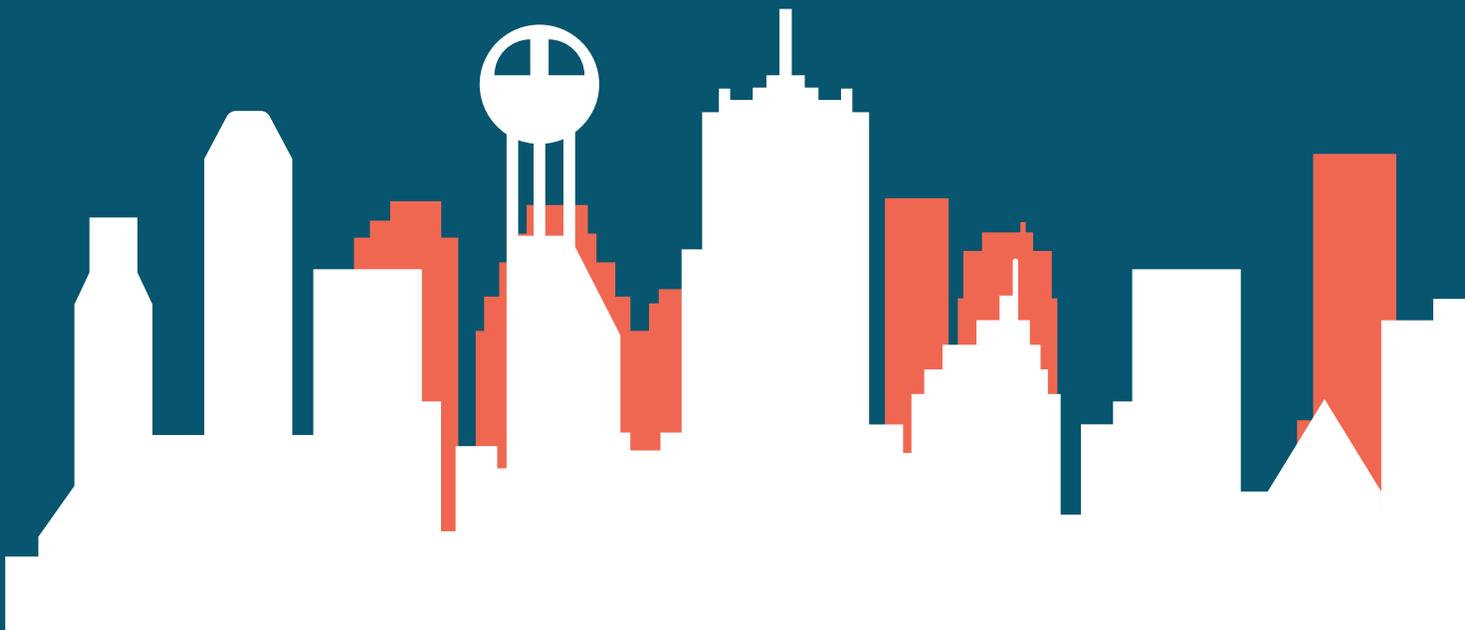


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Financial Health & Staffing

The Long Road to Recovery

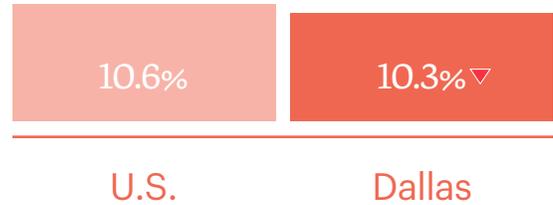
Like many operators across the U.S., restaurateurs in Dallas are still trying to find their footing in the wake of the pandemic. Overall, the city's recovery has been relatively in line with that seen in other U.S. cities, with sales volume recovering to 73% of pre-pandemic levels and average profit margins now sitting at 10.3% – only slightly behind the U.S. average of 10.6%.

But while sales have begun to climb, operators in Dallas are dealing with a new set of financial challenges. 46% of Dallas' restaurateurs said that food and inventory costs are now their number one source of financial strain – a major increase from just 24% who said the same last year. In an effort to fight these rising costs, 46% of the city's restaurateurs reported swapping more expensive ingredients for less expensive substitutes.

73%

mean degree sales volume has returned to pre-pandemic levels

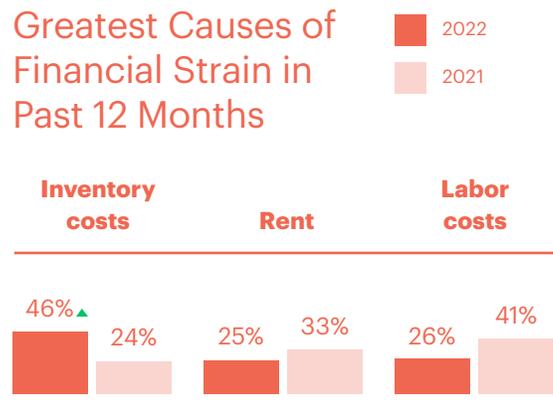
Average Profit Margins



“It’s certainly more expensive for proteins. We’ve also seen other categories start to fluctuate too – especially oils like fry oil.”

(General Manager, Family Style, Dallas)

Greatest Causes of Financial Strain in Past 12 Months



Off-Premise Dining Essential to the Revenue Growth

While Dallas operators focused on finding new suppliers in order to reduce costs, they took a unique approach to increasing revenue. Unlike operators in many other U.S. cities, a whopping 49% of operators in Dallas said they added more off-premise ordering options as a way to boost revenue. This strategy makes sense considering that operators reported seeing a 20% increase in overall sales volume since adding online ordering solutions and, on the whole, Dallas operators reported doing an average of 27% of their business through online ordering platforms.

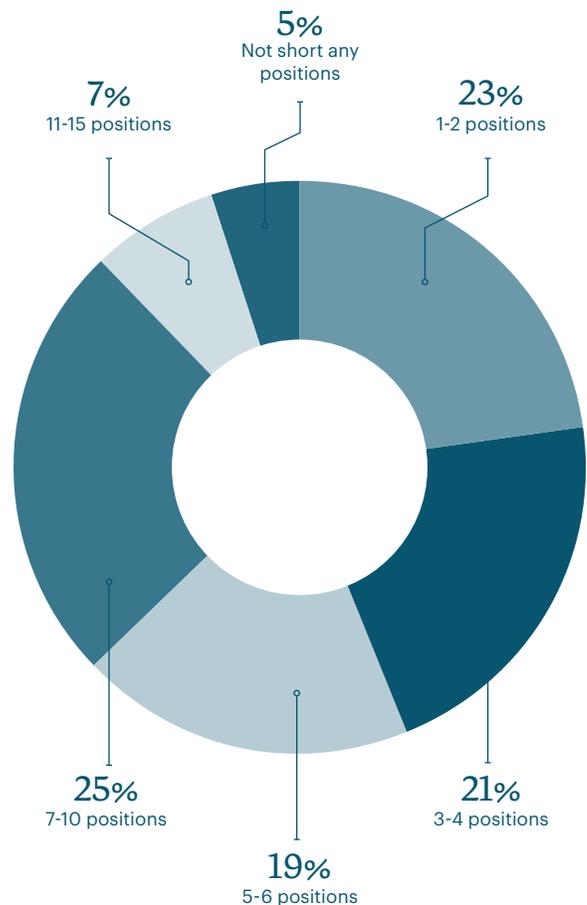
Steps Taken to Increase Revenue

	Added more modifiers/add-ons for an extra charge	Introduced new promotions or specials	Introduced new technology partners	Added more off-premise ordering options	Expanded seating capacity (i.e. added patio space)	Raised menu prices
Dallas	33%	40%	46%	49%	30%	37%
Los Angeles	47%	41%	43%	45%	50%	34%
New York City	58%	39%	46%	43%	39%	29%
Chicago	56%	45%	56%	38%	34%	27%
Miami	38%	46%	32%	25%	31%	37%

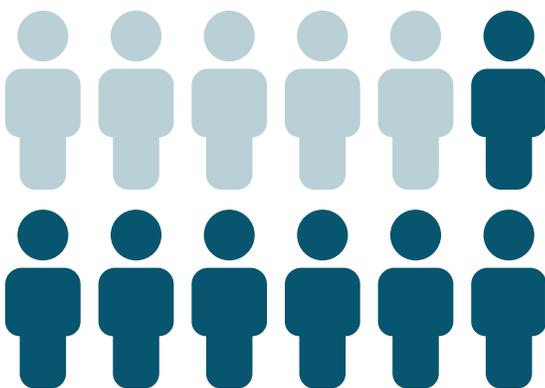
Staffing Shortages Continue

Another challenge facing operators in Dallas is the ongoing staffing crisis. Last year, 90% of operators in Dallas said they were short at least one position and this year the number has risen to 95%. On average, Dallas operators say they are short roughly five positions. Of these shortages, the role of chef appears to be the hardest to fill, with 37% saying they are short a chef (versus just 17% who said the same last year).

Number of Staff Shortages Dallas Restaurants are Experiencing



Average number of positions Dallas restaurants are short: 5



“We had to cut some staff, which means I'm waiting tables too. That's something I didn't want to sign up for, but that's just part of the business right now.”

(General Manager, Family Style, Dallas)

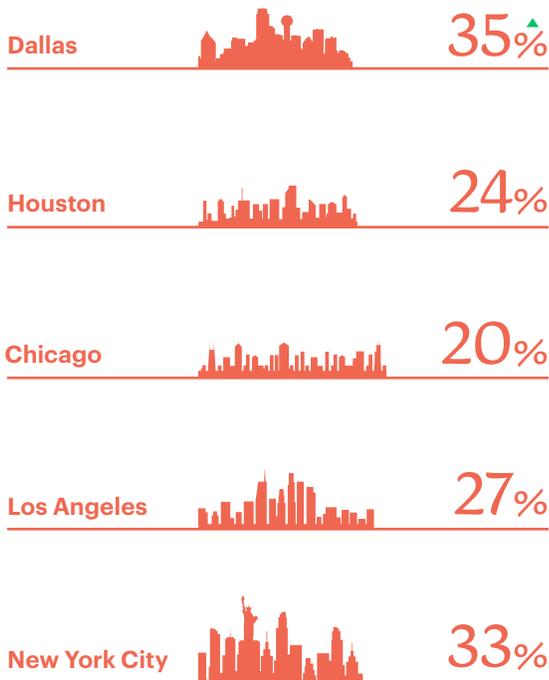
Staff Turnover Remains High

In part, Dallas’ worsening staffing shortage may be due to the city’s high staff turnover rate, which now sits at 35%. This is a major issue when you consider that it costs an average of \$4,412 to train a new employee in Dallas – \$453 more than the national average.

In an effort to stem rising labor costs, nearly half (49%) of Dallas’ operators reported using staff scheduling software and 30% said they used their POS sales data to predict their scheduling needs.



Average Turnover Rate by City



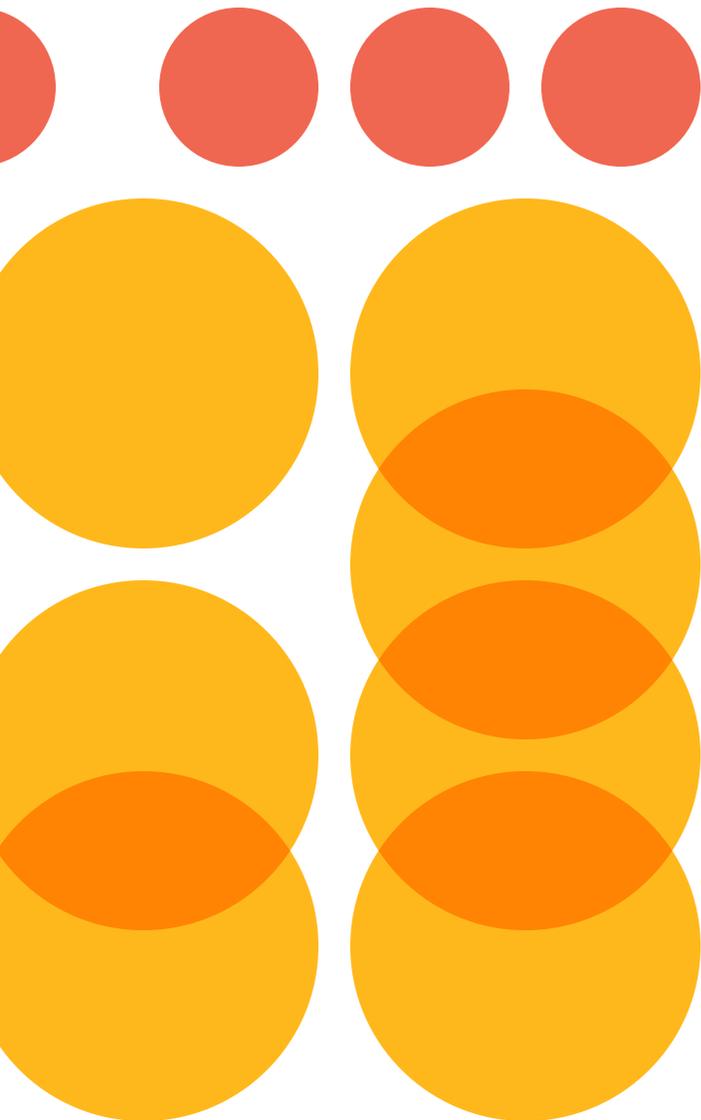
\$4,412

Average cost to train an employee in Dallas (vs. U.S. average of \$3,959)

“We have tried to do some different things and offer incentives [to staff], but it’s still hard. We've been trying to think outside-of-the-box a lot lately.”

(General Manager, Family Style, Dallas)

Menu Management & Online Ordering



Food Costs Climb

Operators across the U.S. have been struggling to keep up with rising food costs and those in Dallas are no exception. A whopping 60% of operators in Dallas said that *all or most* of their suppliers increased costs in the past year and, overall, the city's restaurateurs report spending 46% more on food costs this year compared to the year prior.

How Much More Operators are Spending on Food on Average

43% U.S.

46% Dallas

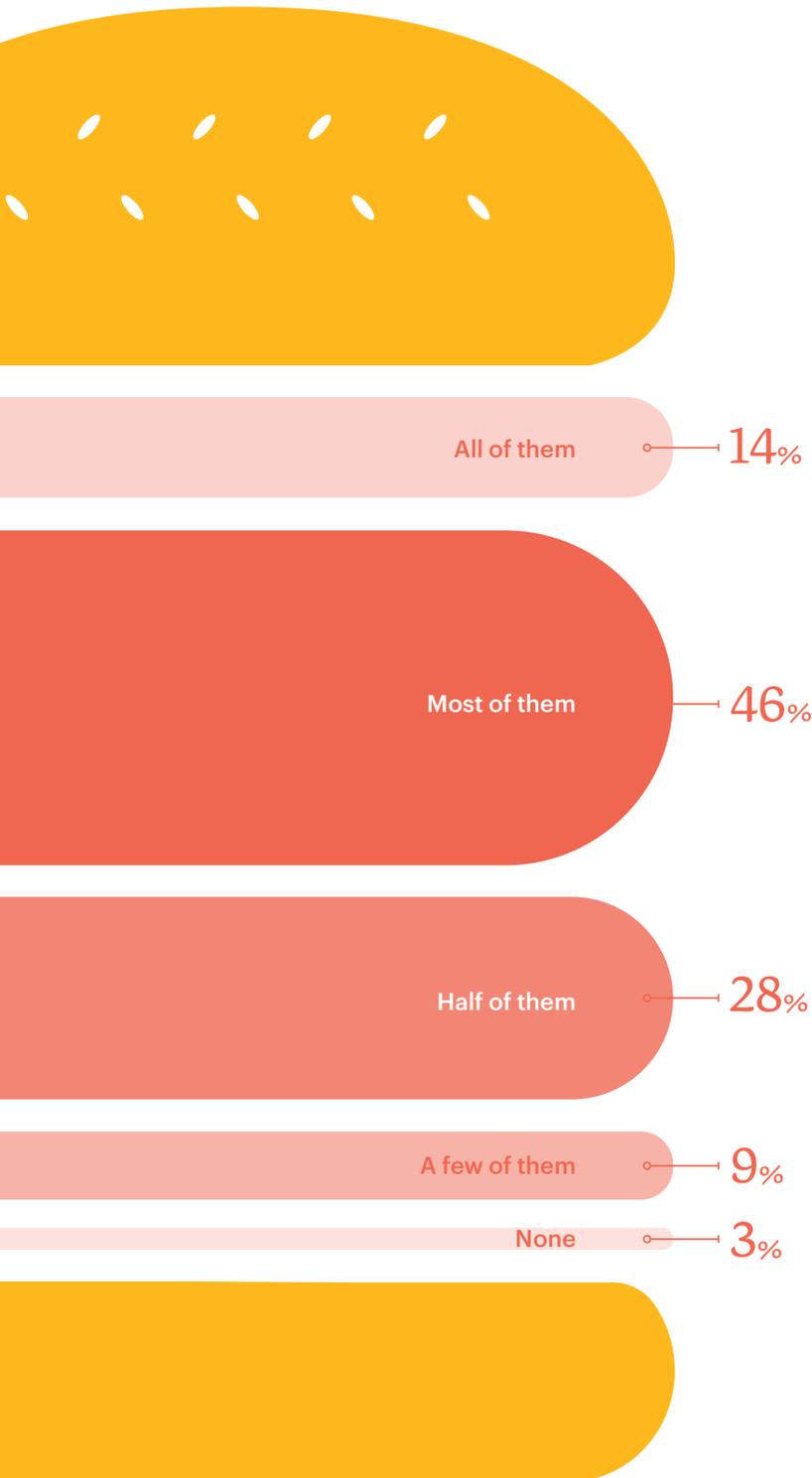
45% New York City

50% Los Angeles

32% Chicago

41% Miami

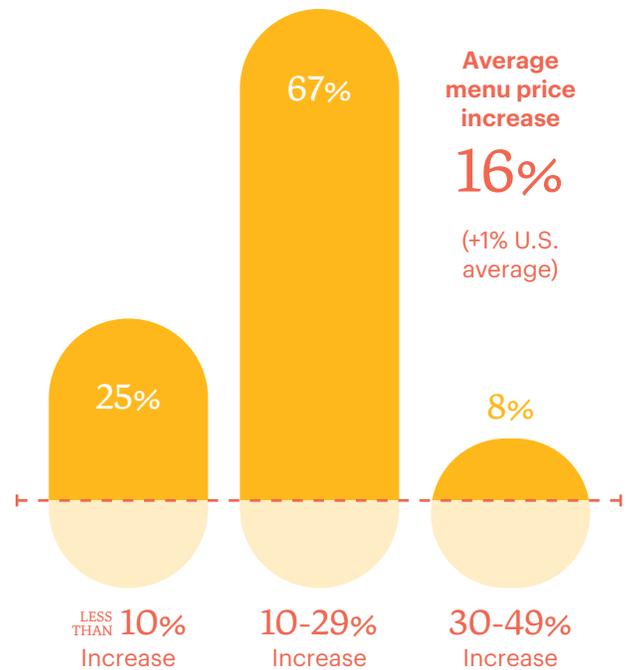
Incidence of Increase in Supplier Pricing



Menu Prices Creep Up

In an effort to combat higher food costs, 63% of operators in Dallas said they've increased their menu prices in the past six months. On average, the city's operators reported raising prices by 16%, which is about 1% higher than the average increase across the U.S.

Menu Pricing Increases in Dallas in the Past 6 Months



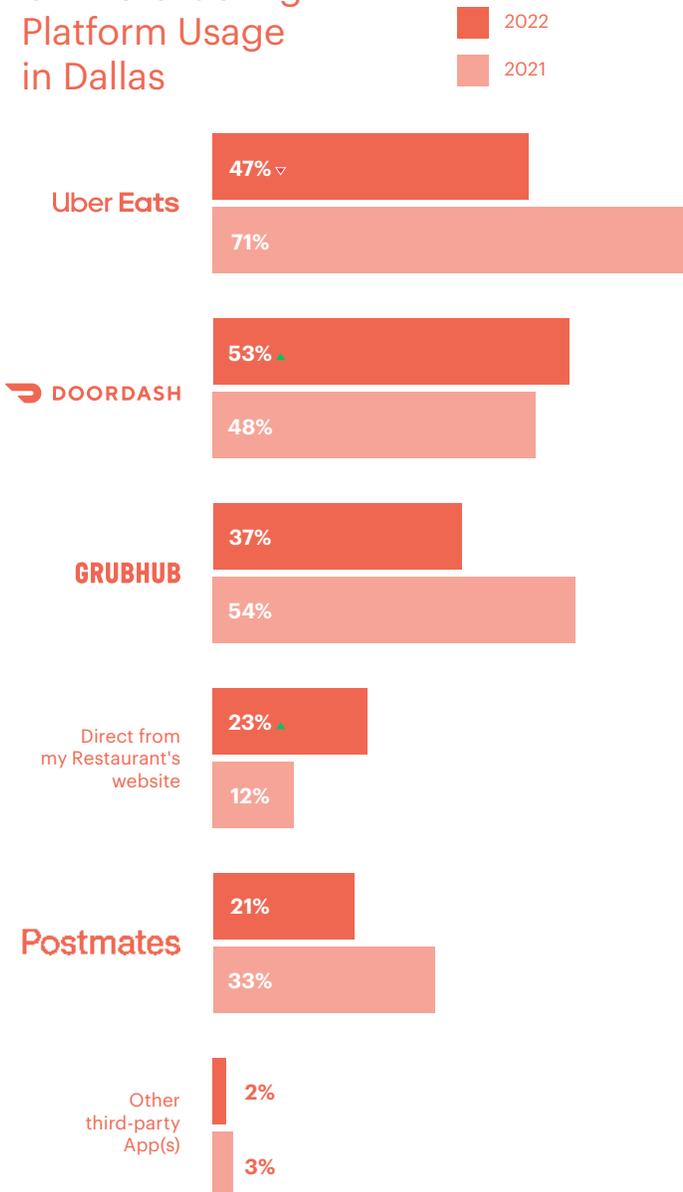
“The prices of food have gone up and if you're making a certain percentage on a certain dish, something's going to have to go up – you can't lose money. We're trying to hit that happy medium where we can still be profitable, but we don't want to get too high to where people are not coming in.”

(General Manager, Family Style, Dallas)

Online Ordering Remains Popular

Given that nearly half of Dallas' restaurateurs said they added more off-premise dining options to boost revenue, it's not surprising that 96% of the city's operators now report using at least one online ordering platform and, on average, most report using three different platforms. The most popular of these platforms is DoorDash, which is a change from last year when Uber Eats took the number one spot.

Online Ordering Platform Usage in Dallas



“Our takeout was through the roof during the height of the pandemic. Now, things have leveled off a little. I think we've lost a bit of takeout [business], but we've been able to maintain most of it.”

(General Manager, Family Style, Dallas)



27% proportion of business done through online ordering, on average (+2% U.S. average)

20% average increase in sales from online ordering (+3% U.S. average)

“People’s habits have most certainly changed, especially at lunchtime. Usually, if you put a special on the board, you can simply package things together so you can sell more of the appetizers and desserts. But now customers aren’t buying the specials as much. You also see a lot more people drinking water, tea, or Coke. Alcoholic drink [sales] are down too.”

(General Manager, Family Style, Dallas)



Marketing & Loyalty



33%
of Dallas
restaurants
sell gift
cards

The Popularity of Loyalty Programs Persist

Last year, restaurants in Dallas were the most likely to offer a loyalty program and those programs remain extremely popular across the city. 81% of Dallas operators say they currently offer a loyalty program and, on average, they say about 50% of their customers regularly engage with their reward program. Of the programs offered, digital loyalty programs and loyalty apps are the most popular.

81% of Dallas
restaurants have
a loyalty program
(up from 77% in 2021)

Gift Cards Underutilized

Though loyalty programs are widespread among Dallas restaurants, the same cannot be said about gift cards. Only a third (33%) of operators in Dallas reported selling gift cards. This could be a missed opportunity for some extra revenue as the average gift card value in Dallas is \$63.



“My daughter is going to school for social media marketing so I've relied on her to do some of that work; I only know how to do old-school stuff. Even though I was previously in IT, the social media stuff has surpassed me a little bit. Technology is sometimes a challenge for older people like me.”

(General Manager, Family Style, Dallas)

Facebook Remains On Top

While restaurateurs across the country are beginning to build a presence on newer social media platforms, operators in Dallas still prefer the older, more established platforms. 64% of the city’s operators said Facebook was their social media platform of choice, while just 33% reported using TikTok to promote their restaurant.

But regardless of which platform Dallas operators are using, social media is clearly a valuable marketing tool. The city’s restaurateurs overwhelmingly said that social media was their preferred way to stay in touch with customers, ahead of other methods like email or SMS (texting).



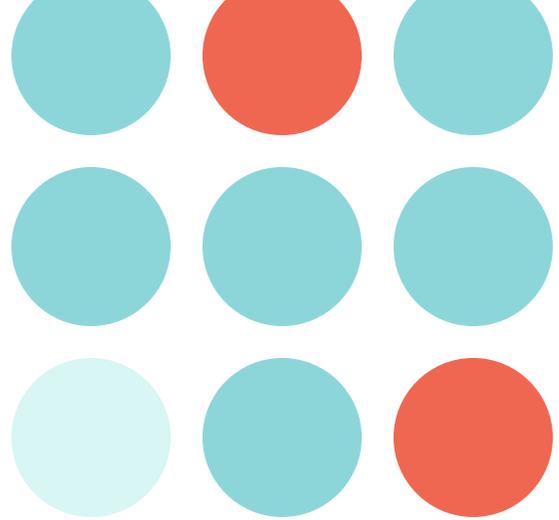
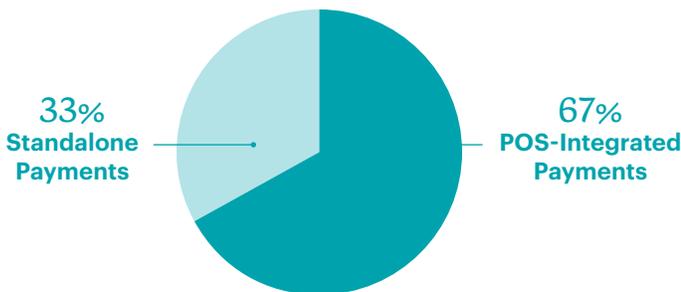
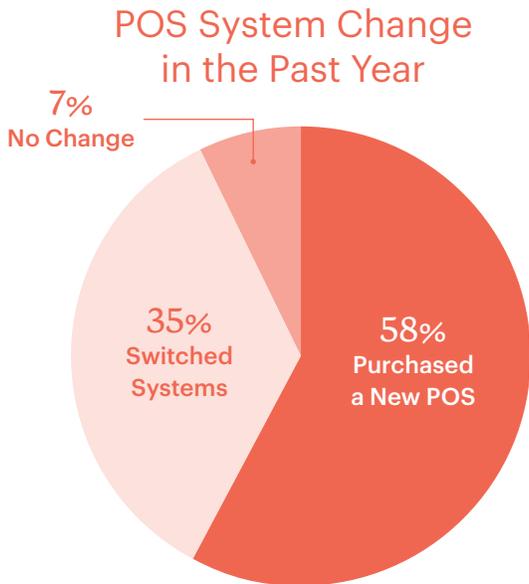
Social Media Platforms Used

By region	facebook	twitter	TikTok	Instagram	Snapchat
Dallas	64%	53%	33%	40%	16%
Chicago	71%	57%	38%	49%	33%
Los Angeles	60%	65%	37%	47%	19%
Miami	56%	52%	43%	39%	30%
New York City	57%	59%	40%	29%	23%
U.S.	62%	59%	40%	40%	25%

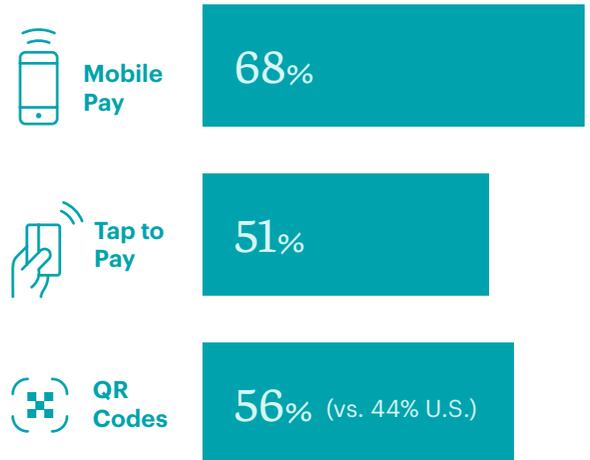
POS & Payments

POS Shopping Shifts into Overdrive

Across the U.S., many restaurateurs decided to streamline operations with a new POS system, and operators in Dallas were no exception. A whopping 93% of Dallas' restaurateurs reported changing their POS system in the past year with 58% purchasing a brand new system and 35% switching from an existing system. When choosing a new POS system, operators in Dallas cited software integrations as the most important factor, followed by the ability to increase sales and ease of use.



Contactless Payment Types Implemented in the Past Year

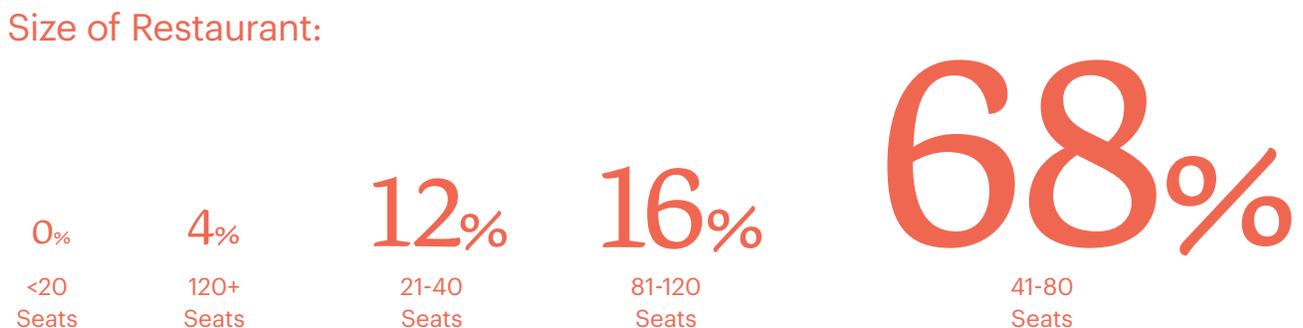
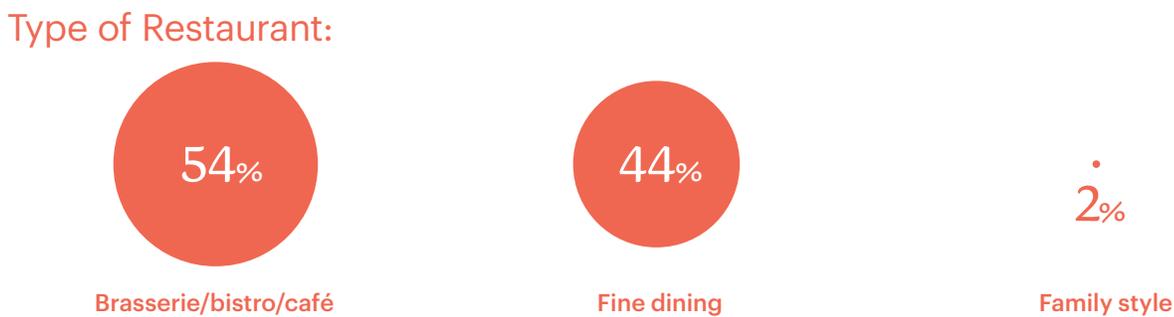
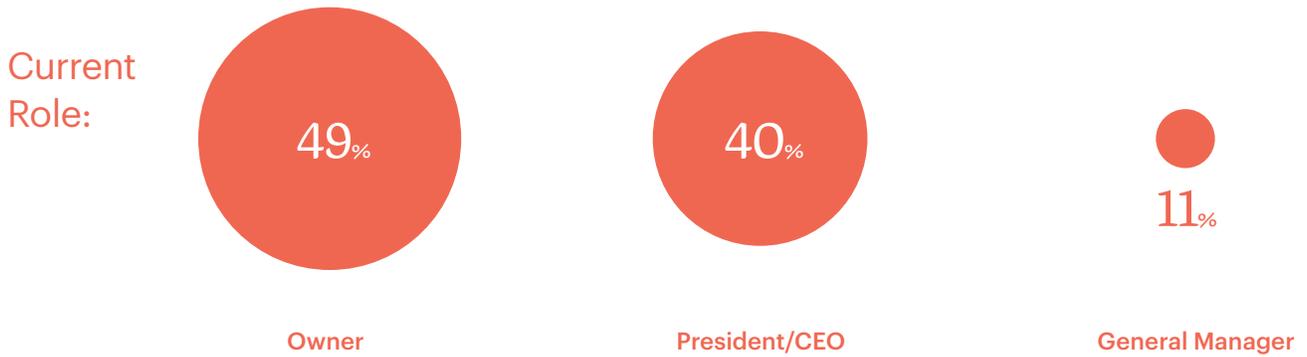


Mobile Pay on the Rise

Though 70% of operators in Dallas reported still accepting cash in their restaurants, new payment solutions were in high demand. In the past year, 68% of Dallas' restaurateurs reported adding mobile pay, while 51% added tap-to-pay. And while QR codes largely fell out of favor across the U.S., 56% of operators in Dallas reported adding a QR code payment option.

Regardless of which payment processing solution they reported using, Dallas operators agreed on one thing: customer support is their number one frustration with payment processors.

Respondent Profile



Respondent Profile

Dining Options Offered:



Indoor dining/
dining room:
95%



Takeout/curbside
pickup:
88%



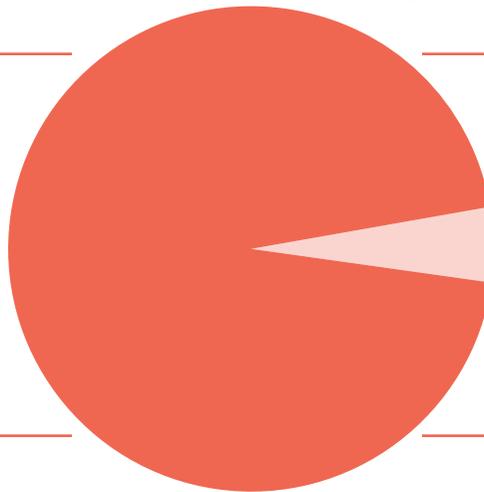
Outdoor
dining/patio:
91%



Delivery:
82%

Independent vs. Chain:

95% Independent



Part of a restaurant
group/chain **5%**

Annual Revenue:

18%
<\$1M

72%
\$1M-2M

11%
\$2M+



Methodology

We partnered with research firm [Maru/Matchbox](#) again this year to survey more than 600 full service restaurant owners, presidents, and area/general managers across all 50 states with an added focus on six key cities: New York City, Los Angeles, Chicago, Dallas, Houston, and Miami. Our research was conducted from September 12 to 20, 2022.



[Read the Full Report](#)





TouchBistro is an all-in-one POS and restaurant management system that makes running a restaurant easier. Providing the most essential front of house, back of house and customer engagement solutions on one easy-to-use platform, TouchBistro helps restaurateurs streamline and simplify their operations, increase sales, and deliver a great guest experience.

To find out if TouchBistro is the right fit for your restaurant, get in touch today.

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