2025

Chicago Restaurant Trends Report
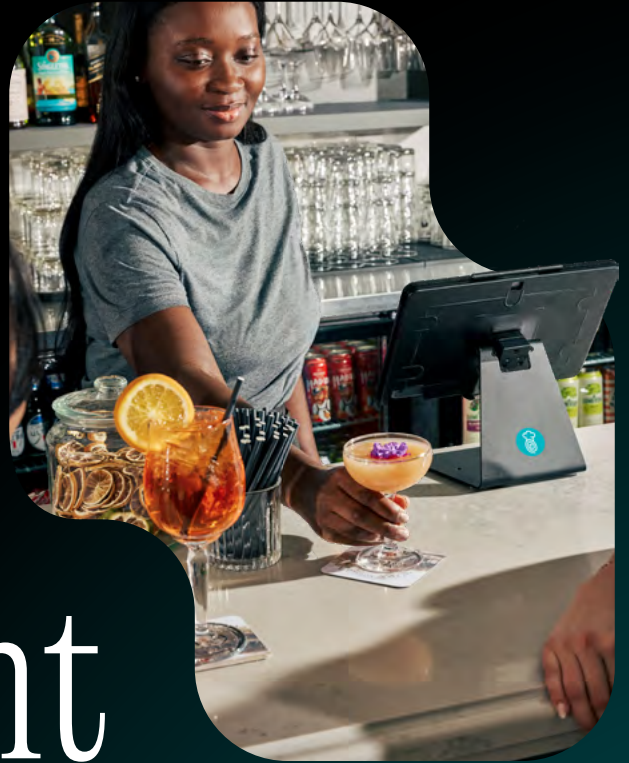
TouchBistro

Contents

Summary of Key Findings

62% have not raised menu prices in the past 6 months

Cutting expenses takes priority over raising menu prices ▪ With consumers less inclined to accept menu price hikes, operators are seeking other solutions to combat high food costs and inflation.

85% have seen their takeout/delivery sales increase

Automating online ordering fuels off-premise sales ▪ Takeout/delivery sales are on the rise following the addition of more off-premise options in Chicago.

100% are spending more on labor costs compared to last year

Operators invest in technology to cut high labor costs ▪ To combat higher labor costs, Chicago operators are investing in technology, such as order-ahead online ordering solutions.

74% use their marketing channels to send personalized offers (up from 57% in 2023)

Personalized marketing fuels new customer loyalty efforts ▪ In the fight for diners' dollars, operators are delivering a more personalized experience to strengthen customer retention and loyalty.

70% plan to spend more on technology in the next 6 months

Increased spend on tech drives operational efficiency ▪ Investment in tech helps to support staff productivity, cut costs, and fuel business growth.

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Financial Health

To boost profitability, Chicago operators are exploring new ways to cut expenses and diversify sales channels.

Chicago Operators Remain Optimistic about the Future of Their Businesses

Like their peers across the country, restaurateurs in Chicago continue to feel the financial strain of rising food costs, as well as higher rent. A quarter (25%) of operators in Chicago reported that rent was their number one source of financial strain – a greater proportion than in any other U.S. city.

Despite these challenges, the data shows that 96% of Chicago operators either feel *very* optimistic or *slightly* optimistic about the future of their business. While this may seem high given the current challenges, it's likely that this optimism is fueled by a major uptick in guest traffic. 92% of Chicago operators say they've seen restaurant visits increase *significantly* or *slightly* in the past year.

It's clear that Chicago operators are optimistic as many report planning to continue growing their businesses by adding catering services (58%) and private events (51%) – all signs that the industry may be trending in the right direction.

Average Profit Margin for Chicago Restaurants

10%
2024

9.6%
2023

96%

Of Chicago operators are optimistic about the future of their business

Greatest Causes of Financial Strain in the Past 12 Months

	Food/inventory costs	Labor costs	Rent	High interest rates	Loans and debts	Chargebacks and other payment processing fees
Chicago	28%	15%	25% ▲	19%	4%	9%
Los Angeles	30%	25%	7%	9%	11%	14%
New York City	34%	19%	6%	11%	17%	6%
Dallas	27%	14%	14%	26%	13%	6%
U.S. Average	26%	18%	17%	17%	10%	10%

Plans for Expansion in the Coming Year

58% Add catering services

51% Add private events

34% Add multiple new locations

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Staffing & Labor

To alleviate higher labor costs, operators in Chicago are experimenting with implementing cost-saving tech.

Rising Labor Costs Continue to Pose a Challenge for Chicago Operators

With labor costs on the rise nationwide, it's no surprise operators in Chicago are struggling with the same challenge. Nearly half (47%) of the city's restaurateurs indicated that labor costs have been the biggest staffing/labor challenge they've faced in the past year.

These high labor costs may be partially driven by Chicago's impending decision to phase out tipped minimum wage. This change not only contributes to higher labor costs for operators, but has also made it challenging for some restaurants to retain existing staff. Many restaurant workers actually prefer earning a lower hourly wage if that means their overall take home pay will be higher when combined with tips.

In response to higher labor costs and to alleviate some of the new staffing challenges, 45% of Chicago operators indicated they have introduced new technology. The most popular cost-saving strategy is online ordering solutions that allow customers to pre-schedule their orders, doing away with the need for dedicated staff members to manage incoming takeout/delivery orders.

45%

Of Chicago operators have introduced new technology to reduce labor costs

Biggest Staffing/Labor Challenges This Year

47%	
Overall labor costs

47%	
Staff turnover (trouble retaining staff)

36%	
Minimum wage increases

30%	
Scheduling challenges

Top Strategies Implemented to Reduce Labor Costs

45%	
Cross-train/repurpose staff

45%	
Introduce new technology
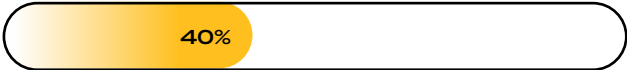
40%	
Increase staff retention

28%	
Increase productivity

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Inventory & Menu Management

In an effort to combat rising food and inventory costs, Chicago operators are attempting to cut expenses rather than increase menu prices.
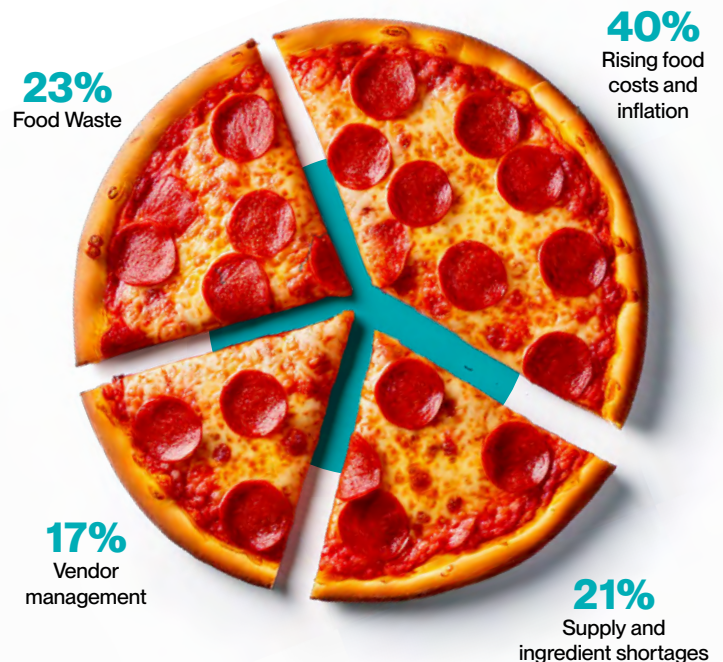
Operators Try to Balance Higher Costs Without Menu Price Hikes

While profits are trending upwards for Chicago operators, they're still struggling with higher costs, specifically food costs. 40% of Chicago operators reported rising food costs and inflation was their biggest inventory challenge in the past year.

In 2023, the majority of Chicago operators attempted to tackle these higher costs by simply raising menu prices. However, that no longer seems to be the go-to strategy for the bulk of Chicago operators. 62% of operators in Chicago now report *not* raising their menu prices in the past 6 months.
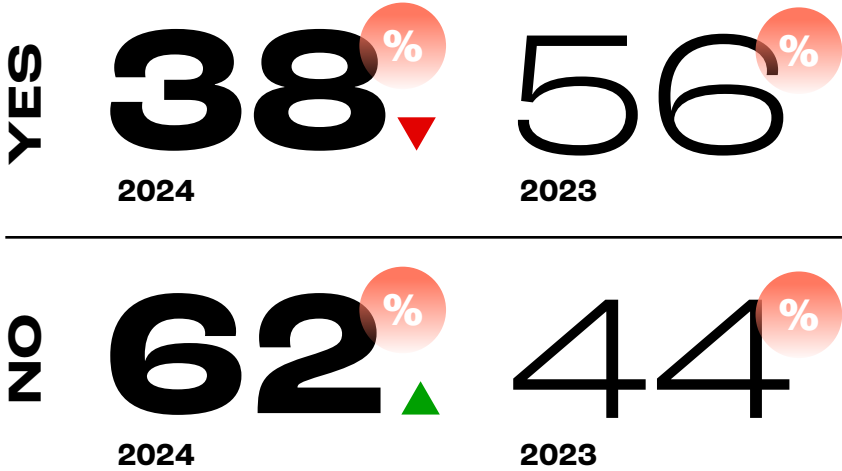
Chicago operators who did choose to increase their menu prices in the past 6 months did so by an average of 13%, which is less than the previous year at 15%, but still seemed to come at a cost to the business. After increasing prices, 35% of operators in Chicago observed customers spending less, 40% observed customers ordering less alcohol, and 45% reported customers were ordering takeout/delivery less frequently – all signs that suggest diners in Chicago are no longer able to absorb higher prices.

Biggest Inventory Challenges in the Past Year

23%
Food Waste

40%
Rising food costs and inflation

17%
Vendor management

21%
Supply and ingredient shortages

Proportion of Operators Who Increased Menu Prices in the Past 6 Months

YES

38% ▼
2024

56%
2023

NO

62% ▲
2024

44%
2023

Changes in Consumer Behavior Following Menu Price Increases

45%
Customers are ordering takeout/delivery less frequently

40%
Customers are ordering less alcohol

35%
Customers are spending less overall

30%
The amount that customers are tipping is less than in the past

10%
Customers are ordering fewer dishes

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Takeout and Delivery

Chicago operators are hungry for seamless direct online ordering solutions as off-premise sales increase.

Direct Online Ordering Proves to be a Viable Alternative to Third-Party Apps

This year, 49% of Chicago operators reported adding more off-premise ordering options to increase their businesses' revenue and are now experimenting with which of these platforms work best for them.

For instance, fewer operators in Chicago reported using Uber Eats this year, while direct online ordering gained popularity. 53% of Chicago operators reported using direct online ordering from their restaurant's website this year, compared with just 32% who said the same last year – a figure that suggests bringing operations in-house may be a more efficient and profitable move.

Online Ordering Platform Usage
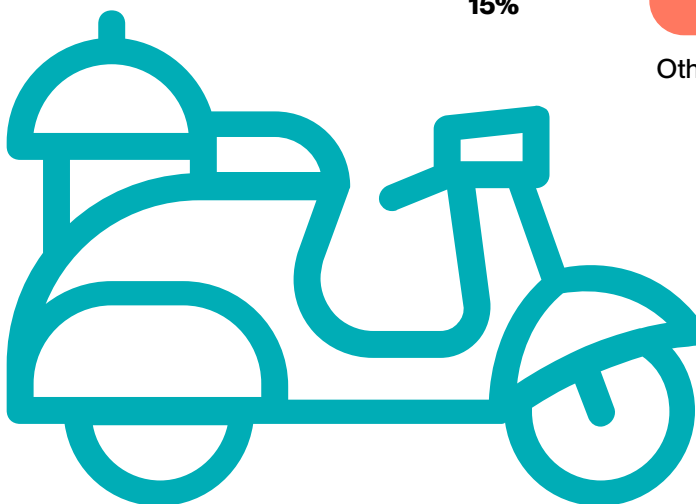
Restaurant's website
53%
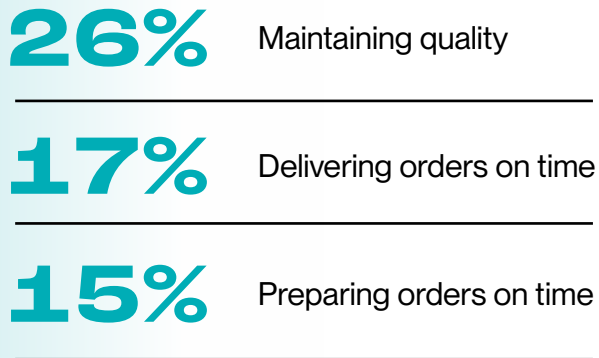
Grubhub
42%

Uber Eats
42%

Postmates
38%

DoorDash
15%

Other apps
0%

**Top Online Ordering Challenges
in the Past Year**

26%   Maintaining quality

17%   Delivering orders on time

15%   Preparing orders on time

Chicago Operators are Enhancing the Off-Premise Experience with Technology

This year, operators in Chicago reported that off-premise sales increased by 31%, almost twice as much as the previous year. This suggests that, despite high inflation and economic uncertainty, consumers are continuing to spend on takeout/delivery.

To support the continued popularity of online ordering, while alleviating the burden on staff, 49% of Chicago operators implemented order-ahead or pre-scheduled online ordering.

At the same time, 26% of Chicago operators say maintaining quality (i.e. keeping orders hot) is the biggest online ordering challenge they've experienced in the past year, whereas 17% say their biggest issue is delivering orders on time. While operators in Chicago are looking for ways to enhance the off-premise experience with more advanced technology, it's clear that they're also open to experimenting with different platforms and features to provide a better experience for their customers.

31%▲

Average increase in sales from online ordering (vs. 18% in 2023)

85%

Of Chicago operators reported an increase in takeout/delivery sales compared to last year

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Marketing & Loyalty

As expenses skyrocket, Chicago operators are seeking alternatives to drive repeat business, like offering a personalized loyalty program, rather than offering discounts and freebies.

Operators Adopt a Personalized Customer Loyalty Strategy

Chicago operators seem to have no problem getting customers through the door, as 92% of Chicago operators responded that visits to their restaurant have increased *significantly* or *slightly* in the past year. However, when it comes to driving repeat business, that's where loyalty programs can be of value.

Traditionally, loyalty programs have been built around freebies and discounted items to get guests to return. Unfortunately, with expenses as high as they are now, Chicago operators can't afford to continue offering discounted items, causing them to rethink the structure of their loyalty programs.

This year, Chicago operators reported trying to reframe the meaning of value for consumers by offering personalized rewards in place of freebies, to bring customers back without cutting into their profits. In fact, 74% of Chicago operators now report sending customers personalized offers, an increase from last year when only 57% said the same. As for the most popular types of personalized offers Chicago operators send, 67% say they send offers based on past history and 54% say they send offers based on personal details.

74%

Of Chicago operators send customers personalized marketing offers (vs. 57% in 2023)

Most Popular Types of Personalized Offers

67%
Offers based on past order history

54%
Offers based on personal details

49%
Offers from related partners/brands

49%
Offers based on selected preferences

46%
Offers based on current location

TikTok Rises in Popularity

Similar to the rest of the U.S., Facebook is still the preferred social media platform for Chicago operators. However, what differentiates Chicago operators is the rise of TikTok. In 2023, only 32% of Chicago operators reported using TikTok to promote their restaurant. Fast forward to today and that percentage has nearly doubled to a whopping 62%. It's clear TikTok has quickly become a must-have tool for restaurant marketing in Chicago. restaurant. Fast forward to today and that percentage has nearly doubled to a whopping 62%. It's clear TikTok has quickly become a must-have tool for restaurant marketing in Chicago.
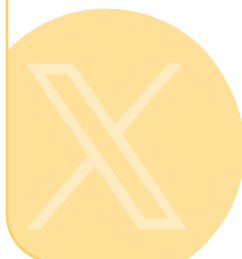
Social Media Platform Used by Restaurants in Chicago

77%
Facebook
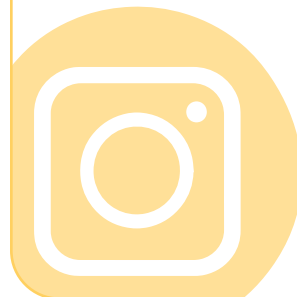
62% ▲
TikTok   (vs. **32%** in 2023)

72%
Twitter (X)

49%
Instagram

30%
Snapchat

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Technology

Chicago operators seek POS providers that offer an all-in-one solution that helps drive operational efficiency.

Operators Prefer a POS That Does It All

With 100% of Chicago operators reporting that they run their restaurant with a POS system (instead of merely a cash register), there is no doubt that they see the value in this crucial restaurant tech. The same sentiment applies to Chicago operators who own more than one location. The data shows that 86% of Chicago operators trust their POS so much that they use the same system across all of their locations.

While it's evident that Chicago operators value their POS systems, the question remains – what exactly are they looking for in a POS system? 40% of Chicago operators indicated that the comprehensiveness of a solution (whether it allows them to do everything on one platform) is one of the top three factors they consider when choosing a new system. The preference for an all-in-one solution is clear, as the majority of restaurateurs in Chicago (70%) use in-house POS-integrated solutions, rather than third-party integrations for different operational tasks.

Top Factors Considered When Choosing a New POS

Comprehensiveness of the solution **40%**

Ease of use **36%**

Customer support **32%**

System reliability **30%**

Multi-location management capabilities **23%**

Chicago Operators See Value in Investing in Technology to Drive Efficiency

While last year's data showed Chicago operators to be somewhat slower to adopt automation than some of their peers, they've picked up momentum this year. 70% of Chicago operators have now automated online ordering, which is much higher than the U.S. average of 57%.

And Chicago operators who have automated restaurant tasks are certainly reaping the benefits from doing so. 36% of Chicago operators who automated these tasks reported faster service, 49% reported more productive staff, and 47% have experienced business growth.

The momentum doesn't stop there. 70% of Chicago operators say they plan to spend *significantly* more or *somewhat* more on technology in the next 6 months. Among those operators who plan to spend more, 49% plan to invest in a kitchen display system (KDS), 35% in a reservation platform, and 35% in marketing software.

So what would deter Chicago operators from automating certain tasks? 33% are concerned with system reliability and 37% are concerned with POS integration. The data suggests that as long as providers can address these issues for Chicago operators, restaurateurs will be more inclined to spend, especially given the massive benefits of automating certain tasks.

Most Popular Planned Investments Among Those Expecting to Spend More on Tech

49% Kitchen display system

35% Reservation platform

35% Marketing software
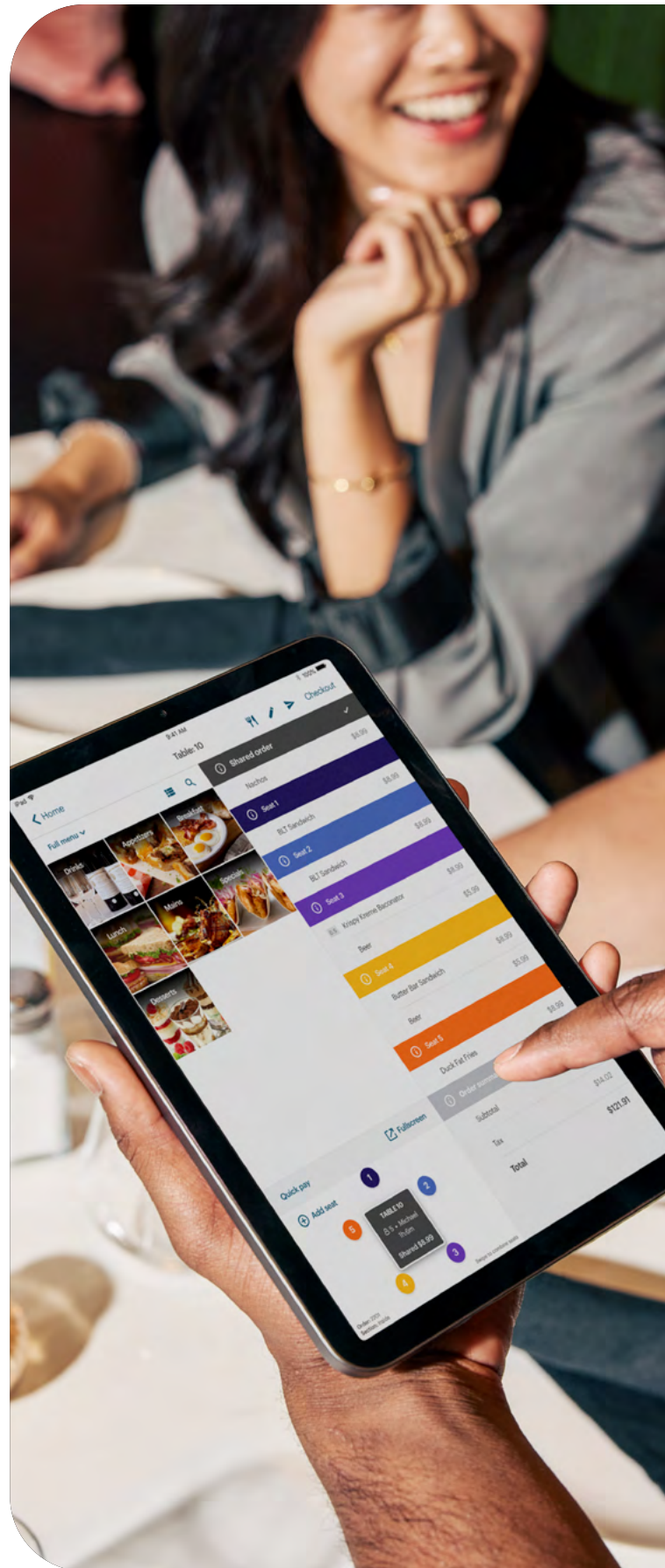
TouchBistro

Tackle 2025 & Beyond with TouchBistro

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.

✓ Exclusively Designed for Restaurants

TouchBistro was born out of a mission to make running arestaurant easier and continues to provide solutions exclusively for restaurant businesses.

✓ Easy to Learn, Easy to Use

Intuitive software makes TouchBistro easy to learn and even easier to use.

✓ Round-the-Clock Support

Get up and running quickly with TouchBistro's one-box POS solution and enjoy the peace of mind of 24/7 support, available 365 days of the year.

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

Learn More

Respondent Profile

Years in the Industry
1-2 years: **2%**
3-5 years: **6%**
6-10 years: **36%**
11-15 years: **36%**
Over 15 years: **21%**

Current Role
President/CEO: **36%**
Owner: **8%**
General Manager: **47%**
Area Manager: **9%**

Type of Restaurant
Brasserie/bistro/cafe: **30%**
Bar/grill: **32%**
Fine dining: **21%**
Family style: **17%**

Independent vs. Chain
Part of a restaurant group: **13%**
Independent: **87%**

Number of Locations
Just one location: **45%**
2-4 locations: **46%**
5-10 locations: **2%**
More than 10 locations: **8%**

Size of Restaurant:
Less than 20 seats: **2%**
21-40 seats: **43%**
41-80 seats: **40%**
81-120 seats: **13%**
More than 120 seats: **2%**

Dining Options Offered
Indoor dining/dining room: **92%**
Patio/outdoor dining: **85%**
Delivery: **85%**
Takeout/curbside pickup: **72%**

Annual Revenue
<$1M: **11%**
$1M-2M: **64%**
$2M+: **25%**

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 eight key cities: New York City, Los Angeles, Chicago, Dallas, Houston, Austin, Denver, and Las Vegas. Our research was conducted from June 27 to July 15, 2024.

maru/

Maru/Matchbox is our group of highly skilled research practitioners with deep advisory expertise. As part of the Maru Group, we are a different breed of global insight partner, built on proprietary software that enables our experts to connect with the people that matter most to our clients.

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