

2025

# Texas Restaurant Trends Report



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# Summary of Key Findings

29%

of operators in Texas have added service charges to try to boost revenue

**Operators experiment with service charges to boost revenue** ▪ With expenses rising, operators in Texas look to service charges to cover financial shortfalls.

45%

say higher labor costs is currently one of their biggest labor challenges

**Operators are turning to tech to solve the labor cost crisis** ▪ To keep labor costs in check, operators in Texas are investing in productivity-boosting technology.

39%

have observed customers spending and tipping less following menu price increases

**Higher menu prices prove unpopular** ▪ After years of continuous menu price increases, operators have observed customers pushing back by spending and tipping less.

44%

of operators in Texas now report using TikTok to market their restaurant

**TikTok becomes a powerful marketing tool** ▪ With greater opportunities for discoverability, restaurateurs from across Texas are increasingly turning to TikTok.

91%

feel positive about the use of AI in restaurants

**AI technology proves popular in Texas** ▪ While there are concerns around cost, operators in Texas are largely comfortable with the use of AI in restaurants.

# 1

## Financial Health

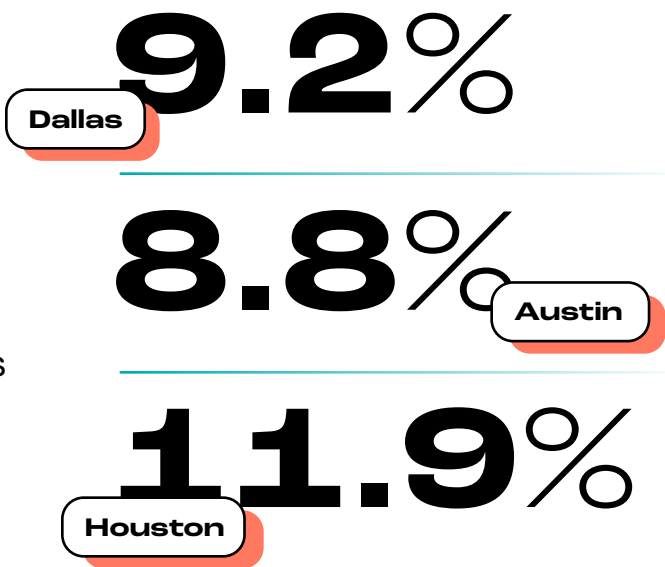
With expenses on the rise, operators in Texas are exploring new revenue-boosting opportunities, including adding controversial service charges to guest checks.

### Traffic Ticks Upwards, But Profits Stay Flat

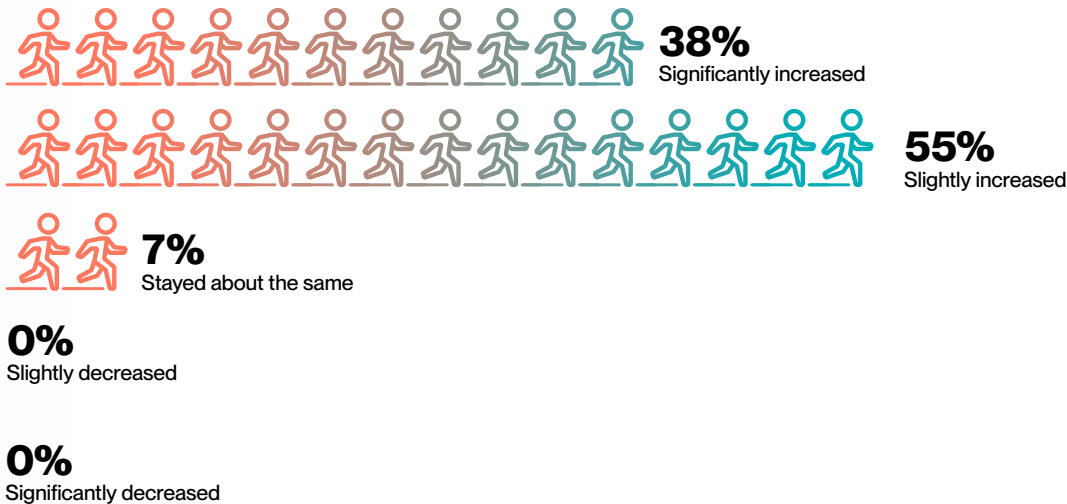
While diners in Texas may be feeling the financial squeeze of inflation, it seems this hasn't stopped them from visiting restaurants. In fact, 93% of operators in Texas reported seeing an increase in guest traffic this year, with 38% reporting a *significant* increase in traffic.

Unfortunately, this doesn't seem to have translated into higher profit margins across the board. In Dallas, average profit margins stood at 9.2%, while restaurants in Austin reported profit margins of 8.8% – both falling below the U.S. average of 9.8%.

#### Average Profit Margins



#### Texas Restaurant Traffic This Year Compared to Last Year



## Operators in Texas Experiment with Service Charges to Cover Higher Costs

It appears that the biggest culprit of stagnant profit margins is higher expenses, specifically higher food costs. On average, a quarter (25%) of restaurateurs in Texas reported that higher food costs were their number one source of financial strain. In cities like Houston, a significant number

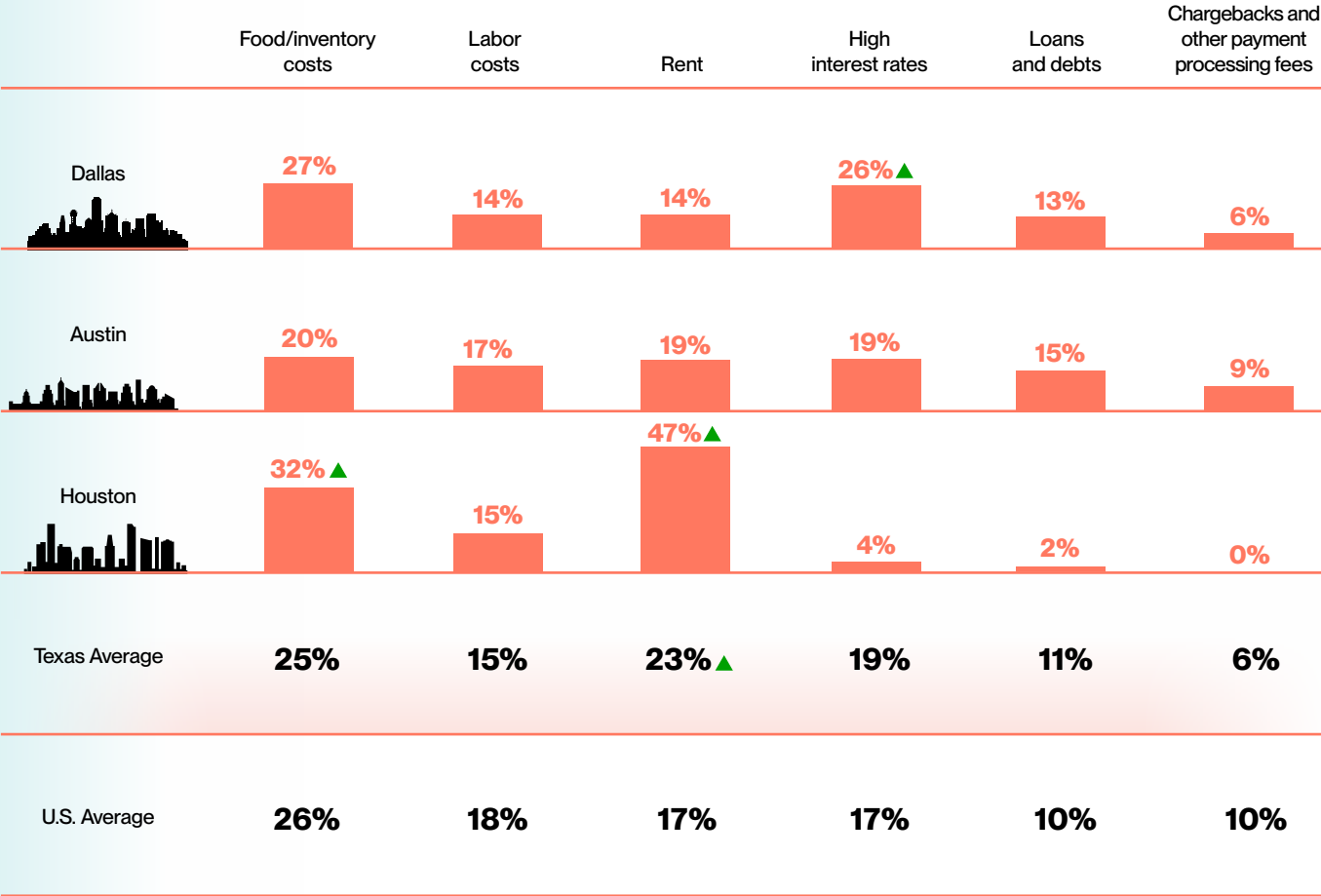
of operators also reported higher rent eating into their bottom line.

While most operators have sought to combat higher costs by adding new sales channels or investing in marketing, some operators in Texas are also experimenting with a new strategy: service charges. Service charges (sometimes referred to as “junk fees”) are mandatory fees that restaurants have begun adding to guests’ bills in order to cover the cost of service. These fees *are* legal

in Texas (as long as the restaurant discloses them), but they may not be particularly popular with guests.

While operators in Texas wait to see if service charges are a viable way to cover costs, 37% also report adding new sales channels like catering and private events to help boost revenue. Catering is an especially popular form of expansion with 55% of operators in Houston and 52% of operators in Austin planning to add this service in the coming year.

### Greatest Sources of Financial Strain in the Past 12 Months







Proportion of Operators Who Added Service Charges to Increase Revenue

**34%** Houston



**30%** Austin



**26%** Dallas



**91%**

**Of operators in Texas** feel optimistic about the future of their business

Most Popular Plans for Business Expansion in Texas

**49%** Add catering services

**44%** Add private events

**41%** Add multiple new locations

# 2

## Staffing & Labor

As labor costs tick upwards, restaurateurs in Texas are looking for new ways to boost staff productivity.



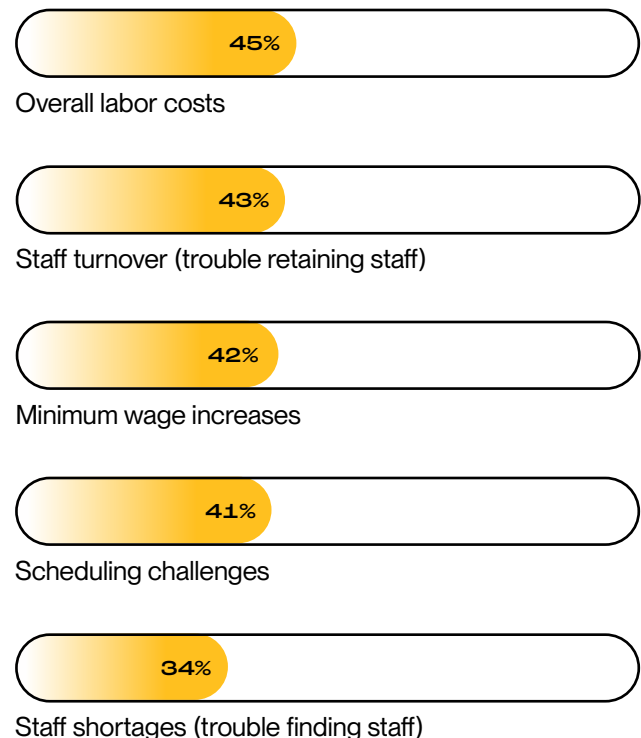
### Operators Look to Maximize Productivity in Light of Higher Labor Costs

Like operators across the country, higher food costs aren't the only concern for operators in Texas. In the past year, labor costs have also shot up dramatically with 100% of Texas operators surveyed reporting that they are spending more on labor this year than last year. In fact, nearly half (45%) of restaurateurs in Texas said higher overall labor costs were among their biggest challenges.

To try to combat rising costs, operators in Texas are searching for ways to boost productivity among existing staff. Part of this is being done by introducing new, time-saving tech, which a third (33%) of operators in Texas report doing. So far, QR code menus and QR code payments have been among the most popular tech to implement.

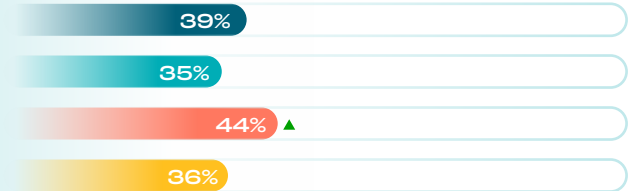
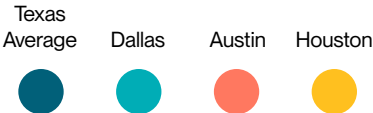


#### Biggest Labor Challenges at Restaurants in Texas

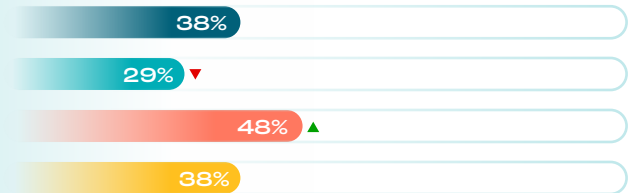




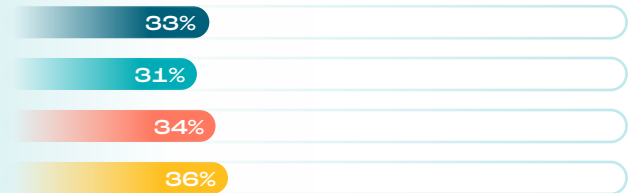
Strategies Implemented to Reduce Labor Costs



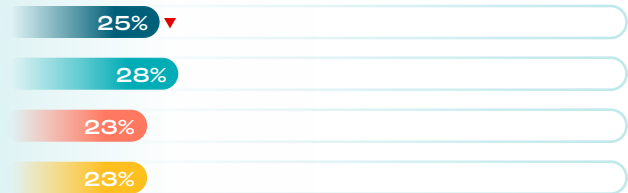
Increase productivity



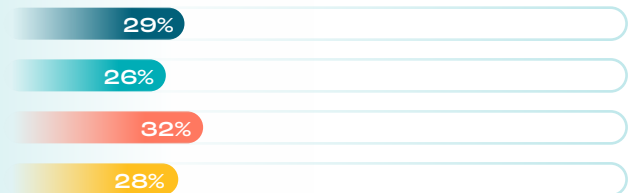
Increase staff retention



Introduce new technology



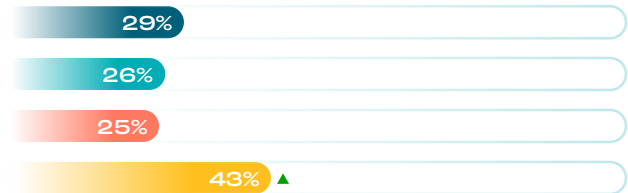
Cross-train/repurpose staff



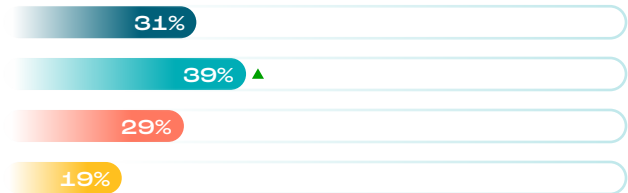
Use restaurant scheduling software



Create labor targets



Use POS sales data to predict scheduling needs



Reduce hours of operation



Reduce staff headcount







### Staffing Shortages in Dallas by Position



**32%** Servers

**32%** Line cooks

**30%** Chefs

**30%** Bussers

**27%** Dishwashers

**25%** Bartenders

**23%** Managers

**21%** Hosts

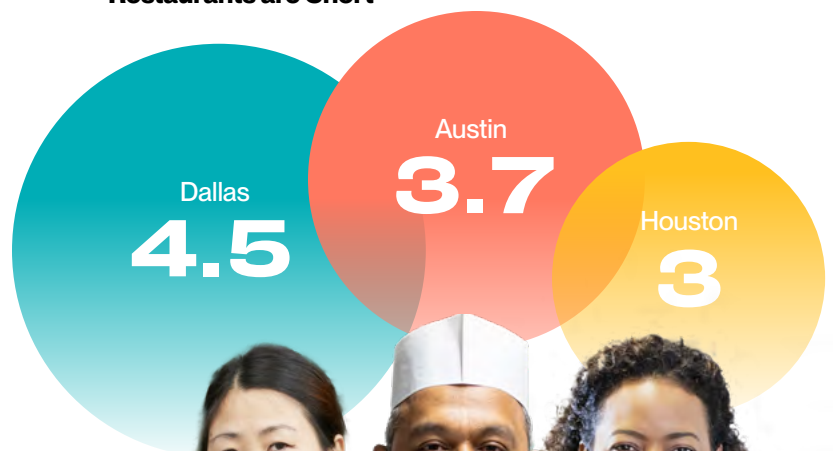
**18%** Prep cooks

## Retention Issues Ring Alarm Bells in Dallas

Though labor costs are the most pressing issue for the majority of operators in Texas, labor shortages also appear to be a growing concern in cities like Dallas. Operators in Dallas reported being short an average of 4.5 positions, which is far more than their peers in Austin (short 3.7 positions) and Houston (short 3 positions).

Higher staff shortages may be due to higher turnover rates in Dallas, as restaurants in that city report an average turnover rate of 32% – far higher than the national turnover rate of 26%. Operators in Dallas were also the least likely to report focusing on turnover as a way to combat higher costs, which suggests this problem may only continue to grow in the year ahead.

### Average Number of Staff Texas Restaurants are Short



# 3

## Inventory & Menu Management

Though inventory costs may be causing financial strain, operators in Texas find there's little wiggle room left when it comes to increasing menu prices.

# 38%

**Of operators across Texas** say higher food costs is their number one inventory concern

### Higher Menu Prices Fail to Solve Higher Food Cost Concerns

In addition to higher labor costs, restaurateurs in Texas are also fighting the now years-long battle against higher food costs. 38% of operators across Texas say higher food costs is their number one inventory concern, followed by 23% who cited ongoing ingredient and supply shortages as their top challenge.

In an effort to combat these higher costs, some operators (particularly those in Austin) have resorted to raising menu prices. However, more than half (51%) of operators in Austin also report observing that customers have been spending less following price increases, suggesting that this strategy may not be a sustainable long-term tactic for covering costs.







Operators Who Reported Raising Prices in the Past 6 Months

45%

Dallas

57%▲

Austin

30%

Houston

Changes in Consumer Behavior Following Menu Price Increases

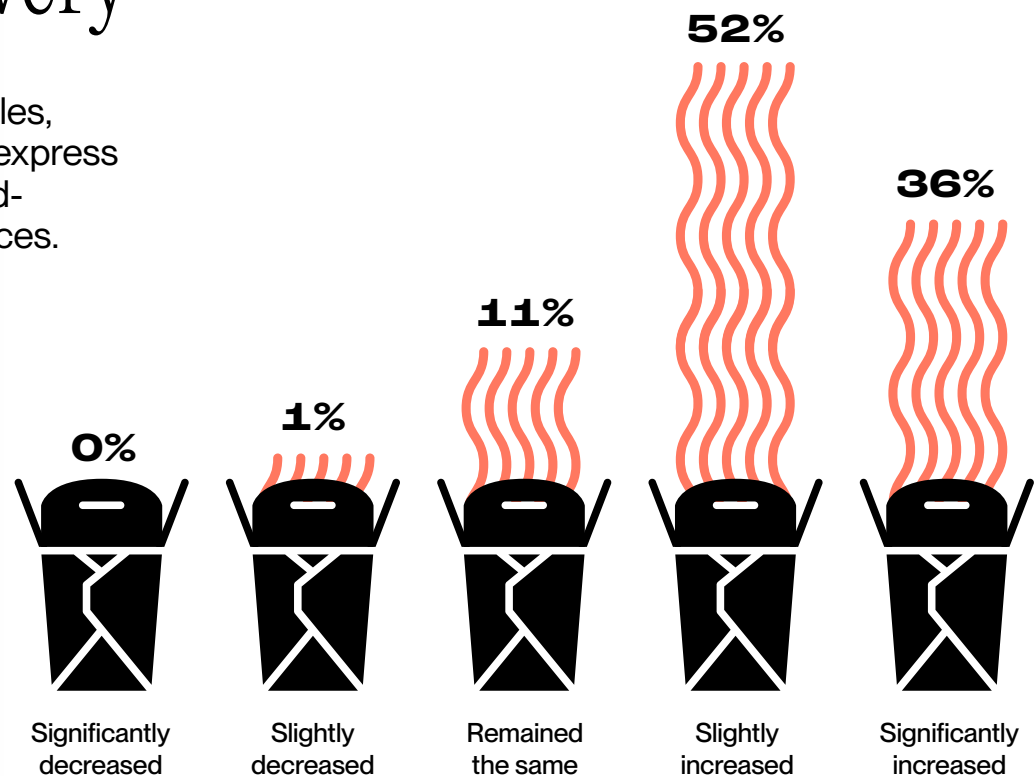


## 4

Takeout  
and Delivery

Despite growing sales, operators in Texas express frustration with third-party delivery services.

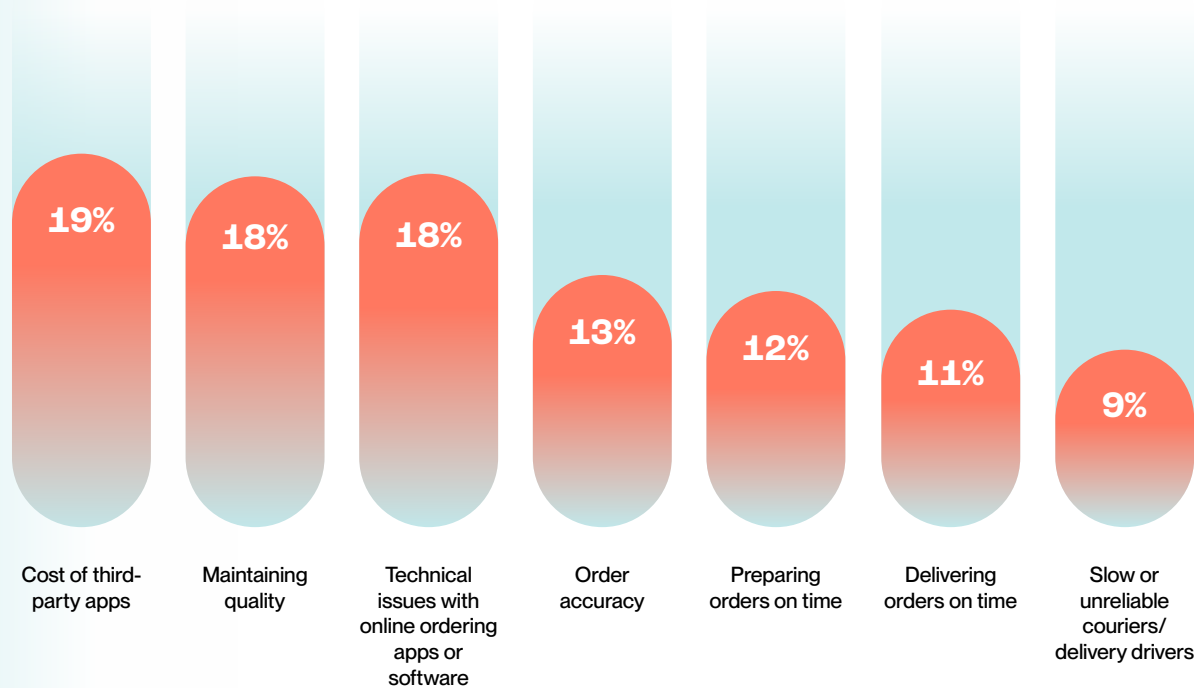
Change in Takeout/  
Delivery Sales in  
Texas Compared  
to Last Year

Growth in Off-Premise Sales  
Comes with Pros and Cons

Though many predicted that the takeout and delivery bubble would burst, off-premise appears to be booming in Texas. A whopping 88% of operators in Texas said they had observed takeout/delivery sales *significantly* or *slightly* increasing in the past year – a trend that’s also being observed nationwide.

Even with sales rising, operators in Texas seem to be frustrated with some of the challenges that can come from using third-party takeout and delivery apps to manage online orders. In Houston, operators said technical issues with online ordering apps or software was their biggest issue, while operators in Austin pointed to difficulties maintaining order quality. Across the state, the number one issue was the cost of using third-party delivery apps. All of this suggests that while sales are growing, there’s a lot of room for optimization when it comes to off-premise order management and fulfillment.

Biggest Online Ordering Challenges in Texas





# 5

## Marketing & Loyalty

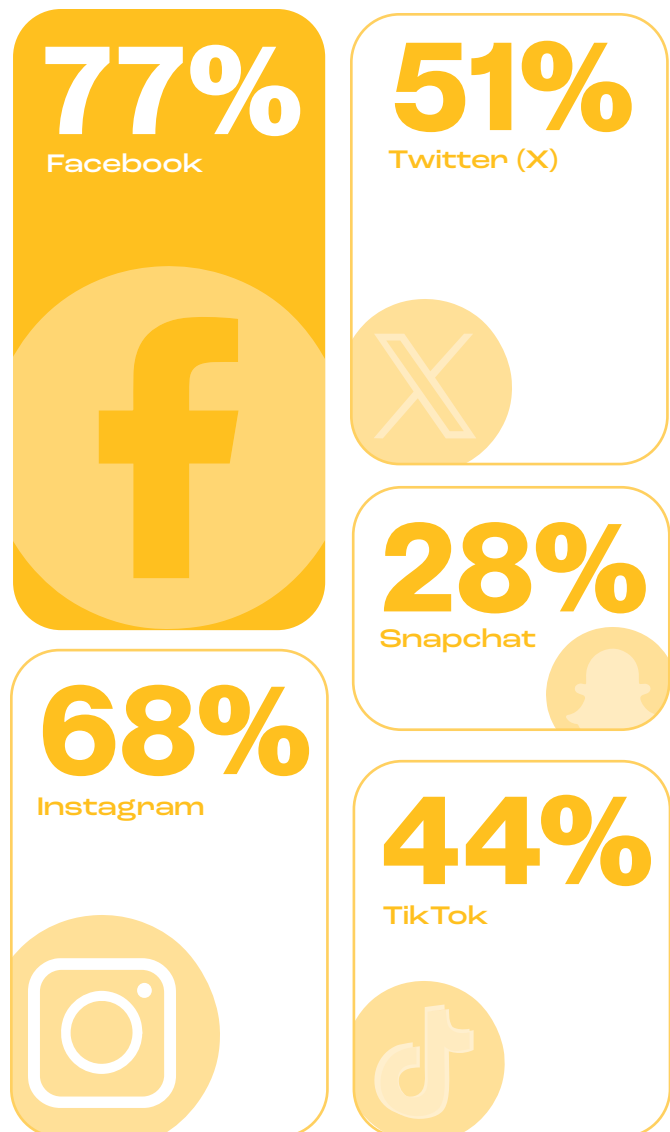
While TikTok usage surges among restaurateurs in Texas, operators continue to struggle with how to measure the performance of these kinds of digital advertising campaigns.

**69%** Have a website  
**31%** Do not have a website

### TikTok Quickly Becoming a Go-To Platform for Restaurateurs in Texas

Like their peers across the country, operators in Texas are adapting to the changing landscape of restaurant marketing and that new landscape includes TikTok. Close to half (44%) of all operators in Texas now report using TikTok to market their restaurant. While this is a smaller proportion than those who use legacy social media platforms like Facebook and Instagram, it's a sizable (and growing segment) likely driven by the fact that organic content can gain much wider reach via TikTok's 'For You Page' discovery tool.

#### Social Media Platforms Used for Restaurant Promotion in Texas



### Top Marketing Challenges for Texas Operators

**26%**

Trouble measuring the performance/success of marketing campaigns

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**25%**

Difficulty targeting the right diners with the right message

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**25%**

High cost of marketing services/materials

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**13%**

No team members with marketing expertise

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**10%**

Not enough time to dedicate to marketing efforts



# 6

## Technology

While slightly slower than in other parts of the country, Texas' restaurant tech transformation is well underway and poised for further growth.

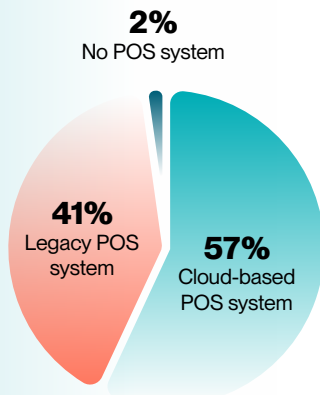


### Operators in Texas are in the Middle of a POS Transformation

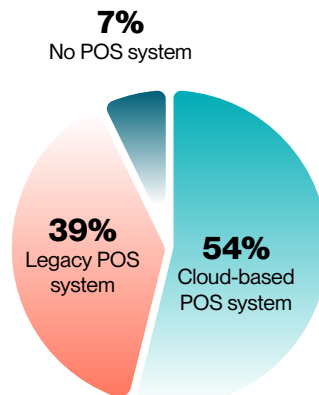
For several years now, operators have been making the shift from traditional, legacy POS systems to more flexible cloud-based POS systems. However, in Texas, that transition appears to still be very much in progress. Just 55% of operators in Texas report using a cloud-based POS, which is lower than in other major cities like Las Vegas and Denever, where 77% and 73% report using cloud-based systems, respectively.

However, it appears that change is underway. A whopping 74% of operators in Texas reported purchasing a new POS system or switching POS systems in the past year. And it seems like modern solutions are at the top of their shopping lists. When asked about what they look for in a new POS system, the comprehensiveness of the solution – does it have everything the restaurant needs on one platform – was the number one consideration.

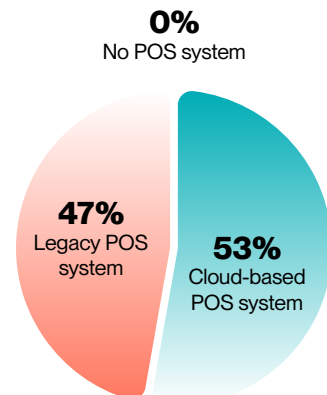
#### Types of POS Systems Used in Texas



Dallas



Austin



Houston



## Operators in Texas are Interested In, But Cautious About AI

A tech transformation also seems to be underway when it comes to new solutions like automation and AI. Though the number of restaurants in Texas that have implemented automation and AI falls slightly below the U.S. average, it's clear the technology is still quite popular and being readily adopted. Among those who have implemented automation, increased sales, more efficient FOH operations, and more productive staff were cited as the top three benefits.

Despite the benefits, operators in Texas did express concern around the costs and complexity of automation. High upfront costs, complicated technology, and businesses being too small to justify the expense were cited as the top three barriers to implementing automation.

Nevertheless, restaurateurs in Texas have expressed interest in adding several AI solutions to their businesses, including AI menu creation tools and AI-powered inventory management. Not to mention, 91% of operators in Texas said they felt positive about the use of AI in restaurants, suggesting there's strong interest in the technology, provided that concerns around issues such as cost can be addressed.

91%

Of operators in Texas feel positive about AI in restaurants



### Top Factors Considered When Choosing a New POS

	Comprehensiveness of the solution <b>35%</b>
	Multi-location management capabilities <b>34%</b>
	Ease of use <b>30%</b>
	System reliability <b>28%</b>
	Ability to increase sales <b>26%</b>
	Customer support <b>26%</b>
	Third-party software integrations <b>25%</b>
	Reporting and analytics features <b>25%</b>
	Price/affordability <b>24%</b>
	Training and/or installation time <b>23%</b>
	Recommendations/reviews <b>23%</b>
	Other <b>2%</b>





Tasks That Restaurateurs Have Automated



U.S. Average

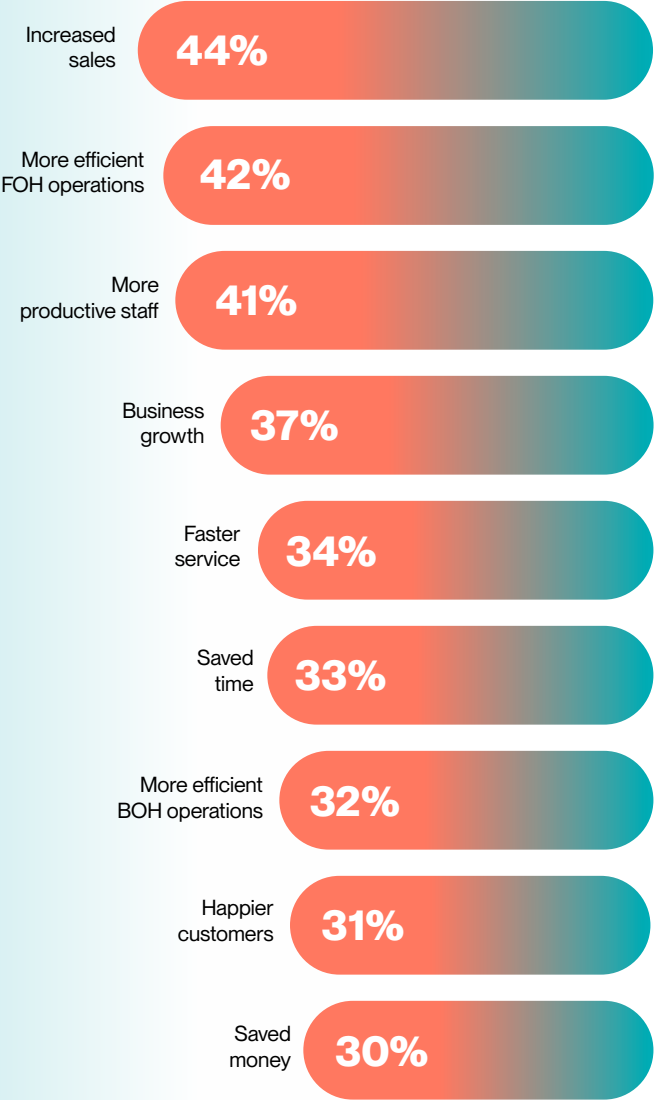


Texas Average

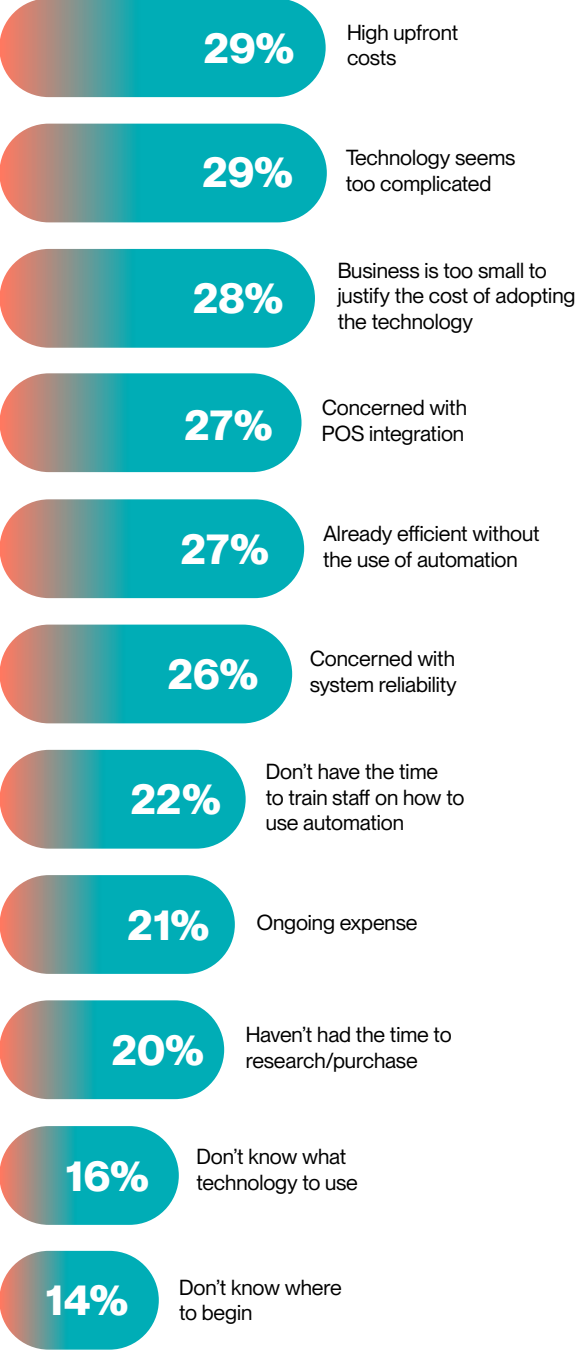




Benefits of Automation  
Reported by Operators in Texas



Barriers to Automation Reported  
by Operators in Texas





## 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 a restaurant 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:

Less than 5 years: **12%**  
6-15: **78%**  
Over 15 years: **10%**

## Type of Restaurant:

Brasserie, bistro, or café: **12%**  
Bar and grill: **29%**  
Fine dining: **36%**  
Family style: **23%**

## Number of Locations:

Just 1 location: **26%**  
2-4 locations: **60%**  
5 or more locations: **13%**

## Size of Restaurant:

<20 seats: **1%**  
21-40 seats: **31%**  
41-80 seats: **49%**  
81-120 seats: **11%**  
120+ seats: **8%**

## Dining Options Offered:

Indoor dining/dining room: **96%**  
Patio/outdoor dining: **90%**  
Delivery: **81%**  
Takeout/curbside pickup: **79%**

## Ownership:

Independent: **19%**  
Part of a restaurant group: **81%**

## Annual Revenue:

<\$1M: **13%**  
\$1M-2M: **53%**  
\$2M+: **33%**

## Current Role:

Owner: **7%**  
President/CEO: **14%**  
General Manager: **45%**  
Area Manager: **33%**

# 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.



