2026

The American State of Restaurants Report

TouchBistro

INTRODUCTION

If 2024 taught the restaurant industry to expect the unexpected, 2025 proved that "unpredictable" might just be the new normal.

Between tariffs reshaping ingredient costs overnight, labor expenses climbing to unprecedented levels, and consumers scrutinizing every menu price increase, full service restaurant operators found themselves navigating perhaps their most complex operating environment yet. Many returned to a playbook they had hoped to set aside – raising prices, cutting hours, and making difficult menu adjustments – just to stay above water.

Yet here's what makes this year's story remarkable: despite everything working against them, operators are winning in ways that matter. Profit margins climbed back into double digits for the first time since 2022. Traffic continued its upward trajectory. And perhaps most telling, debt levels dropped significantly – a sign that the financial strain many faced is finally beginning to ease.

This resilience didn't happen by accident. The 600+ full service restaurant operators we surveyed revealed an industry that's learned to adapt with remarkable speed, leverage technology smarter, and craft creative solutions to obstacles that would have sunk operations just a few years ago. Our report reveals not just how they survived 2025's challenges, but how they're positioning themselves to thrive in 2026 and beyond.

Contents

Summary of Key Findings

66% are carrying debt (down from 78% in 2024)	**Operators lighten their load.** With debt levels dropping significantly, cash flow concerns are finally easing for full service restaurants.
96% are spending more on labor costs this year compared to last year	**The labor cost crisis persists.** Nearly every operator faces higher labor expenses, but they're finding smarter ways to manage them.
68% have raised menu prices in the past year (up from 47% in 2024)	**Price increases make a comeback.** After a year of restraint, operators returned to raising prices and made some subtle menu shifts.
81% have seen an increase in takeout/delivery sales compared to last year	**Off-premise remains a profit driver.** Consumers continue prioritizing takeout and delivery, even during economic uncertainty.
81% of operators say their restaurant has a website (up from 69% in 2024)	**Digital presence becomes essential.** Operators invest in owned digital properties as discovery increasingly happens online.
85% feel positive about the use of AI in restaurants	**AI acceptance holds strong.** Operators embrace AI for back-office efficiency, signaling openness to technology innovation.

1

Financial Health

Through strategic adjustments and operational discipline, operators are reclaiming profitability despite mounting cost pressures.

32%

is the average increase in visits operators saw in the past year

FINANCIAL HEALTH

Profit Margins Stage a Recovery as Year-Over-Year Traffic Growth Stabilizes

The industry's financial health comeback is written in the numbers: profit margins climbed to 10.5%, marking a return to double-digit territory for the first time since 2022. This recovery didn't happen by chance, it's the result of operators making smarter decisions about pricing, cost management, and revenue diversification.

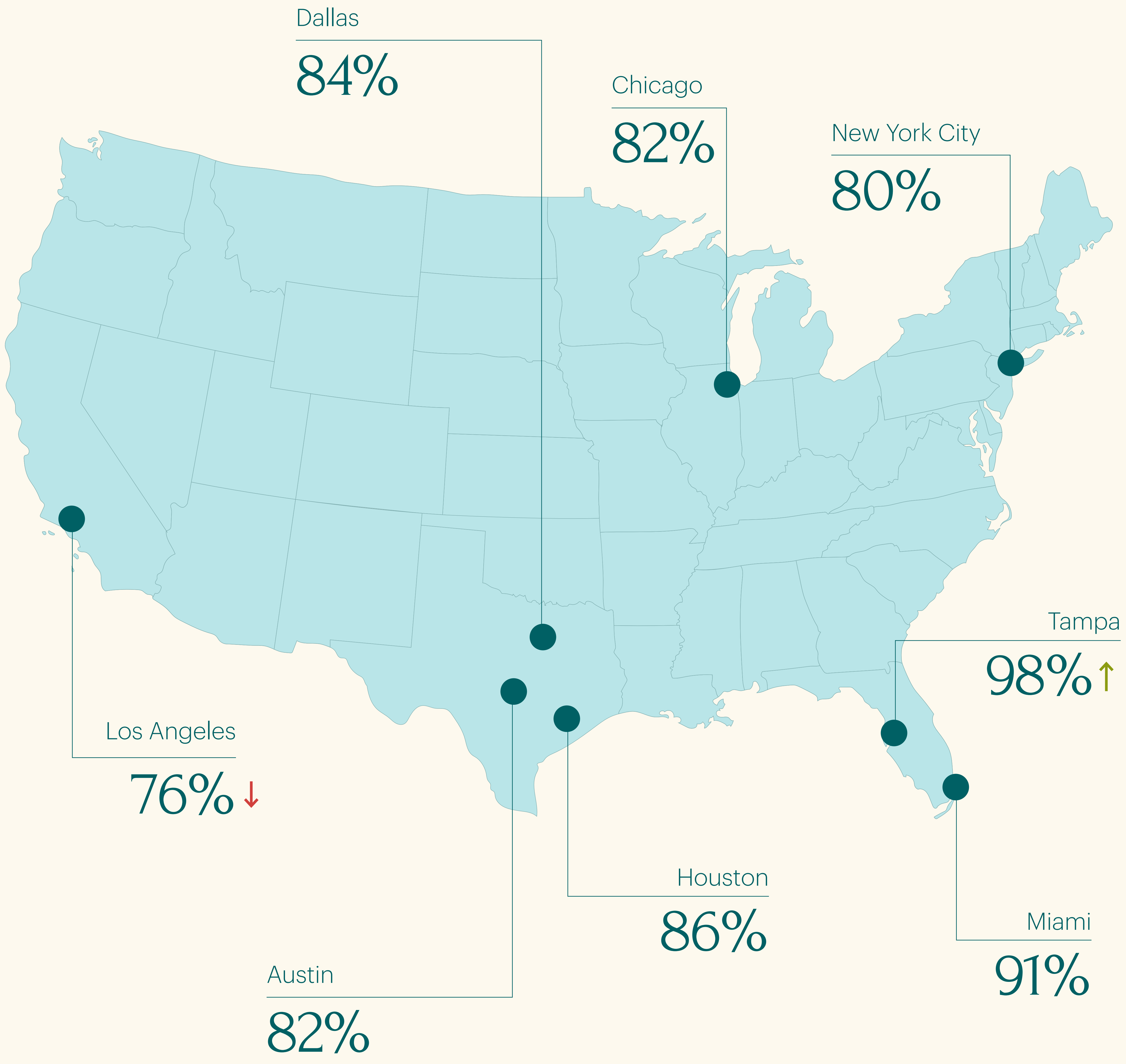
Traffic growth helped fuel this turnaround, with 88% of operators seeing visits increase over the past year. While the average 32% bump is slightly below what operators experienced in 2024 (34%), it represents steady, sustainable growth year over year, rather than a post-pandemic driven spike.

The return-to-office movement reshaped weekly traffic patterns in interesting ways. While Sunday remains the busiest day overall, weekday dining strengthened considerably. Monday mornings and lunch periods saw renewed activity as office workers returned to their desks. Dinner service from Tuesday to Friday emerged as particularly busy times for restaurants, reflecting hybrid work schedules that bring more people into the office mid-week. This shift in traffic patterns suggests workplace policies are directly influencing when and where diners choose to eat out.

Average Profit Margins by Year

2025	2024	2023
10.5% ↑	9.8%	9.3%

Percentage of Operators Reporting Higher Visits by City



FINANCIAL HEALTH

Operator Debt Levels Drop as Cash Flow Improves

Along with profit margins recovering, another encouraging financial trend from 2025 was the significant decline in operator debt. Only 66% of operators carry debt now, down significantly from 78% in 2024 – and those who do carry debt owe an average of $44,625, down from $51,040 the previous year.

This shift suggests the cash flow crisis that strained the industry is finally easing. Fewer operators cited loans and debts as a major financial strain (just 6%, down from 10%), indicating they're either paying down existing obligations or avoiding new ones altogether.

That said, 40% of operators still took out new loans or financing in the past year, with bank loans remaining the most common form of financing. This borrowing isn't driven by desperation – it's strategic financing to manage inventory costs and seasonal fluctuations. The key difference from previous years is that operators are either borrowing less or paying it back faster.

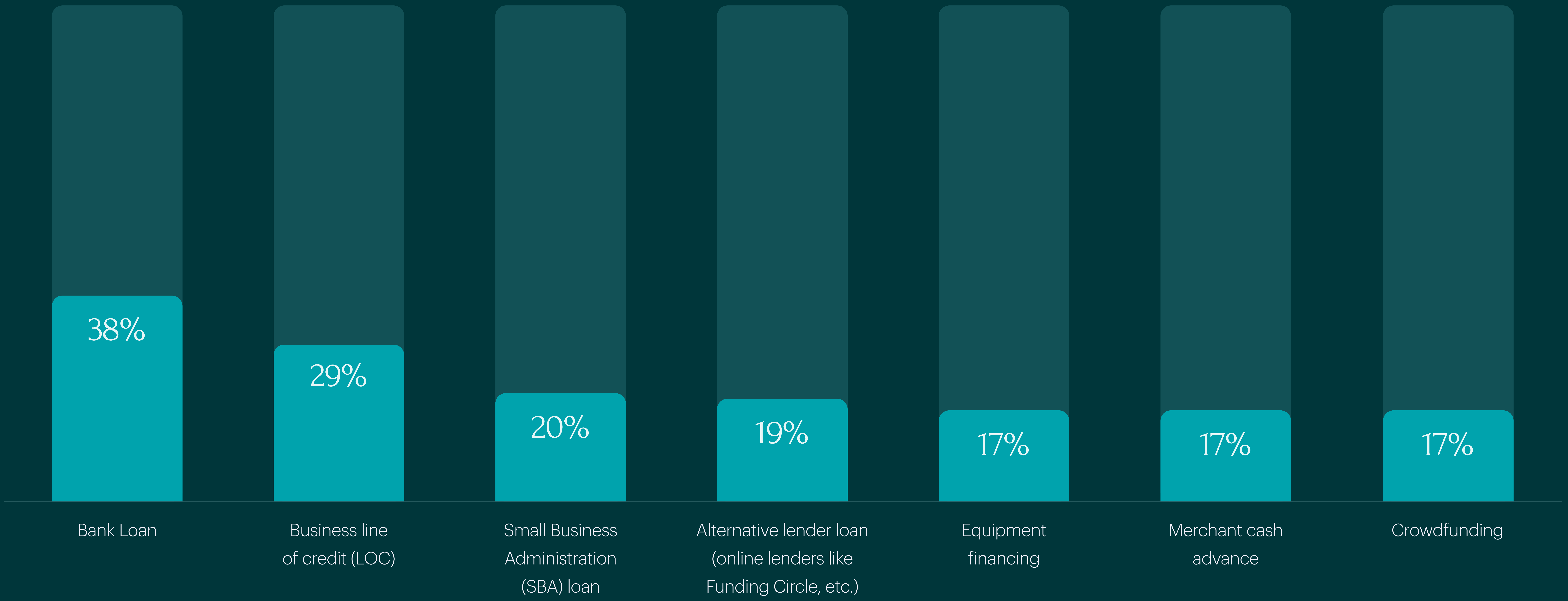
66%↓

of FSRs carry debt (down from 78% in 2024)

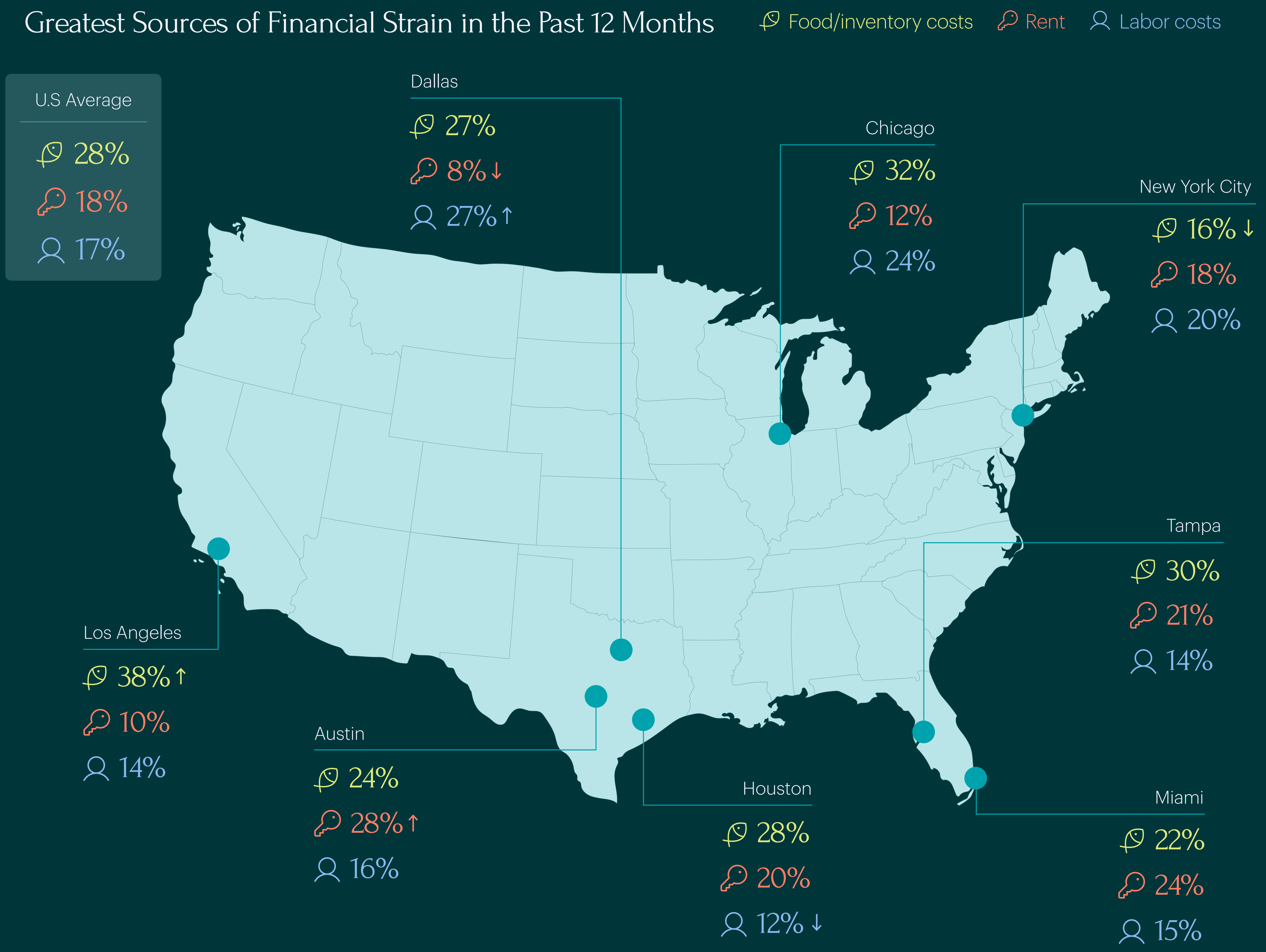
$44,625↓

average debt carried (down from $51,040 in 2024)

Type of Loan or Financing Taken Out in the Past Year



Greatest Sources of Financial Strain in the Past 12 Months



FINANCIAL HEALTH

Food Costs Remain a Top Financial Concern

Despite improvements in profit margins and debt levels, the food cost crisis shows no signs of subsiding. More than a quarter (28%) of operators indicated food and inventory costs as their single greatest financial strain – and that number jumped to 38% in Los Angeles. The culprit? Tariffs and trade restrictions. A staggering 82% of operators shared these policies directly contributed to their restaurant's inventory challenges this past year, disrupting supply chains and forcing prices upward across nearly every ingredient category.

Rather than simply absorbing these costs, operators got creative. The top strategies focused on waste reduction (42%), supplier diversification (39%), and many also turning to technology and AI tools (29%) to identify inefficiencies. Meanwhile, efforts to increase revenue centered on marketing investments (33%), new promotions (33%) and expanding into catering and events (30%) – all strategies that boost income without solely relying on price hikes.

Top Steps Taken to Reduce Expenses

42%	Reducing food waste
39%	Finding new, less expensive suppliers
29%	Introducing new technology or AI tools
28%	Eliminating certain menu items or inventory
24%	Limiting promotions or specials

Top Steps Taken to Increase Revenue

33%	Investing in more marketing efforts
33%	Introducing new promotions/specials
33%	Raising menu prices
30%	Introducing new technology or AI tools
30%	Adding new sales channels (i.e. catering, events)

SURVEY RESPONDENT

"The rising food costs have forced us to carefully adjust portion sizes, reduce certain menu items, and negotiate harder with suppliers, which has added extra pressure on our team and slowed down some kitchen operations."

— Owner, Family Style, Dallas

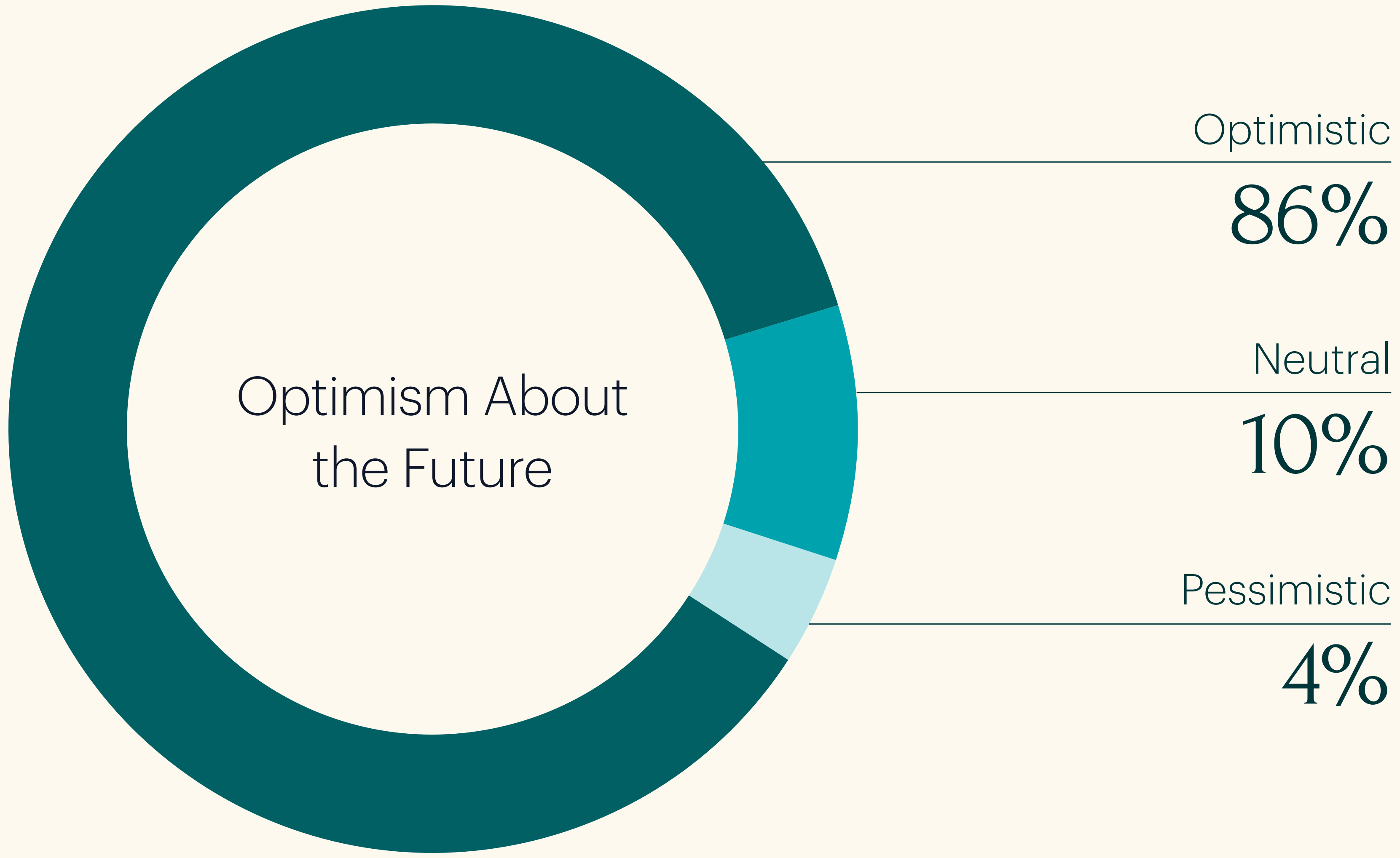
FINANCIAL HEALTH

Optimism Holds Despite Rising Costs

Ask operators what's standing in the way of growth, and they'll give you a familiar list: food costs (18%), economic uncertainty (15%), rent (13%), and attracting new customers (13%). But when asked how they feel about the future the response is overwhelmingly positive – 86% are optimistic about the future of their business.

This confidence reflects a shift in mindset: operators are taking control through expansion strategies that don't require major upfront costs, rather than waiting for external conditions to improve. 51% are planning to participate in local events like food festivals and networking events. Another 39% are adding private events, while 38% are launching catering services – all approaches that leverage their existing resources, including space, staff, and setup to generate new revenue.

The message is clear: operators aren't just surviving 2025's challenges. They're actively building stronger, more diversified businesses to position themselves for success in the years ahead.



Top Obstacles to Business Growth

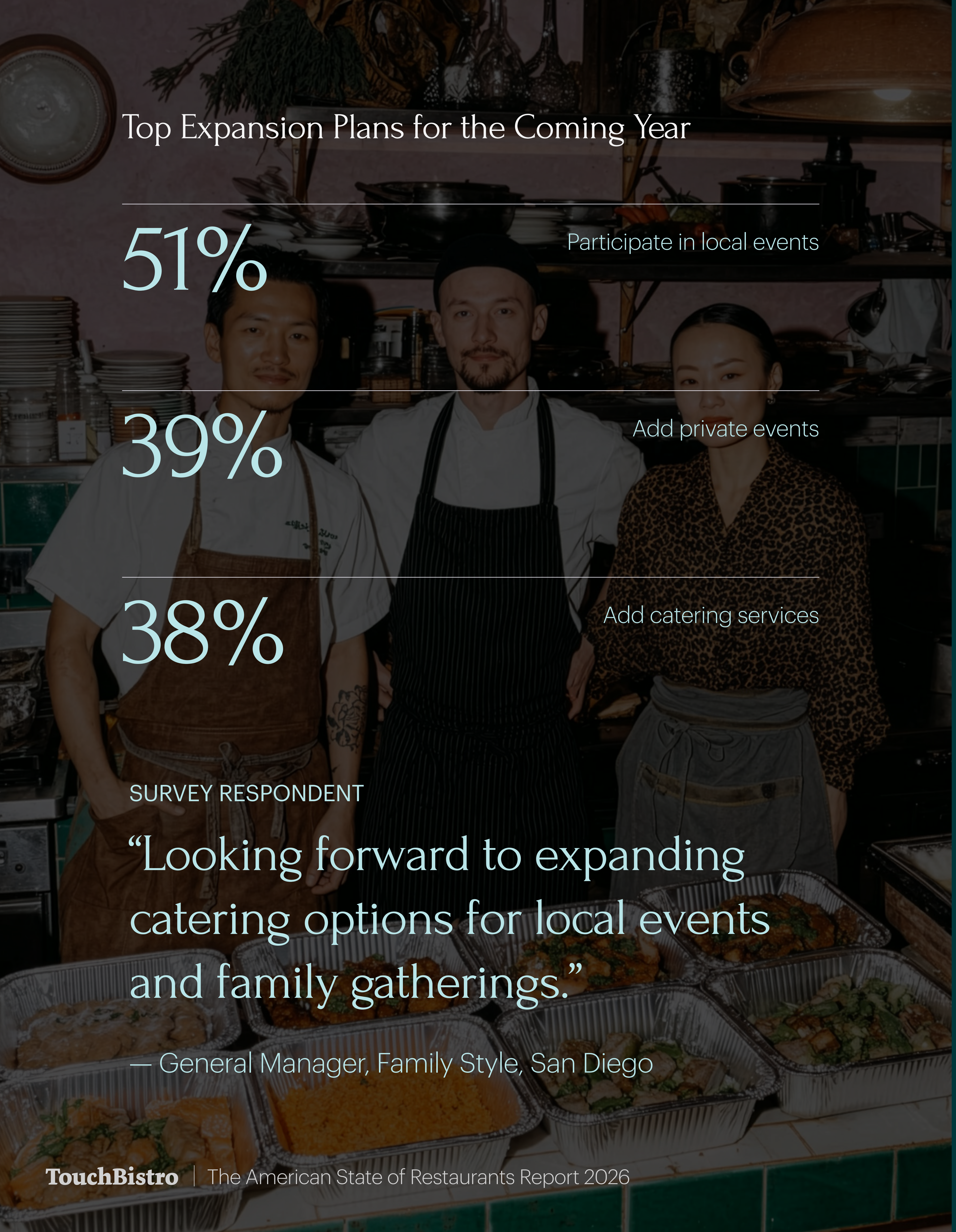
	Food Costs	Economic Uncertainty	Rent	Attracting new customers
U.S. Average	18%	15%	13%	13%
Tampa	19%	14%	11%	18%
New York City	14%	24% ↑	12%	12%
Miami	12% ↓	16%	22% ↑	12%
Los Angeles	22%	14%	8%	14%
Chicago	30% ↑	4% ↓	2% ↓	16%
Dallas	22%	16%	6%	4% ↓
Austin	18%	8%	22% ↑	16%
Houston*	16%	10%	12%	22% ↑

*The sample is below 75.

OPERATOR SPOTLIGHT

“Rising labor costs have had a significant impact on our business, with staff wages increasing by about 15% in a short period of time. While we understand the importance of higher wages as the cost of living rises, there’s often less awareness of how these increases affect small businesses operating on already thin margins. As labor costs continue to climb, staying competitive becomes increasingly difficult.”

Selina
Hopside Brewery, Alpena, MI



Top Expansion Plans for the Coming Year

51% Participate in local events

39% Add private events

38% Add catering services

SURVEY RESPONDENT

"Looking forward to expanding catering options for local events and family gatherings."

— General Manager, Family Style, San Diego

Our Takeaways

The path to profitability in 2025 wasn't about making radical transformation – it was about making dozens of small, smart adjustments that added up to meaningful results.

- **Capitalize on shifting traffic patterns**
  Offer targeted deals during Monday lunch and Tuesday to Friday dinner service to capture the return-to-office crowd.

- **Focus on expense reduction over revenue maximization**
  The operators seeing the strongest margins are those combatting food waste and supply costs, not just passing costs onto customers.

- **Diversify revenue streams without adding overhead**
  Catering, events, and local partnerships generate income using your existing resources.

2

Staffing & Labor

Labor costs continue to climb. Operators are responding by prioritizing productivity improvements and strategic technology investments rather than cutting staff.

96%

of operators spent more on labor costs this year

Labor Costs Reach New Heights

If there's one expense that truly can't be avoided, it's labor. An overwhelming 96% of operators spent more on labor costs this year, with 54% seeing increases of 21-50%, up from 47% who reported similar spikes in 2024.

These costs are driven by multiple factors: rising minimum wages, competitive pressure for talent, and the reality that today's workers expect higher compensation. And for many operators, particularly those in fine dining and full service environments, labor represents both their largest expense and most important investment.

When faced with these pressures, some operators chose a telling path: only 19% reduced headcount. Instead, the majority focused on their existing staff, whether that be increasing productivity (35%), cross-training staff (34%), and improving retention (30%). Many also leveraged their POS systems to predict scheduling needs (28%) and introduced new technology (28%).

There is one bright spot in the labor picture: training costs continue to decline. The average cost to train a new employee dropped to $3,037, down drastically from the all-time high of $3,959 back in 2022. This suggests onboarding processes have become more efficient, even as the complexity of restaurant operations has increased.

54%

of operators saw labor costs increase by 21-50% (up from 47% in 2024)

$3,037

average cost to train a new employee (down from $3,560 in 2024)

Top Strategies Implemented to Reduce Labor Costs

35%
Increase productivity

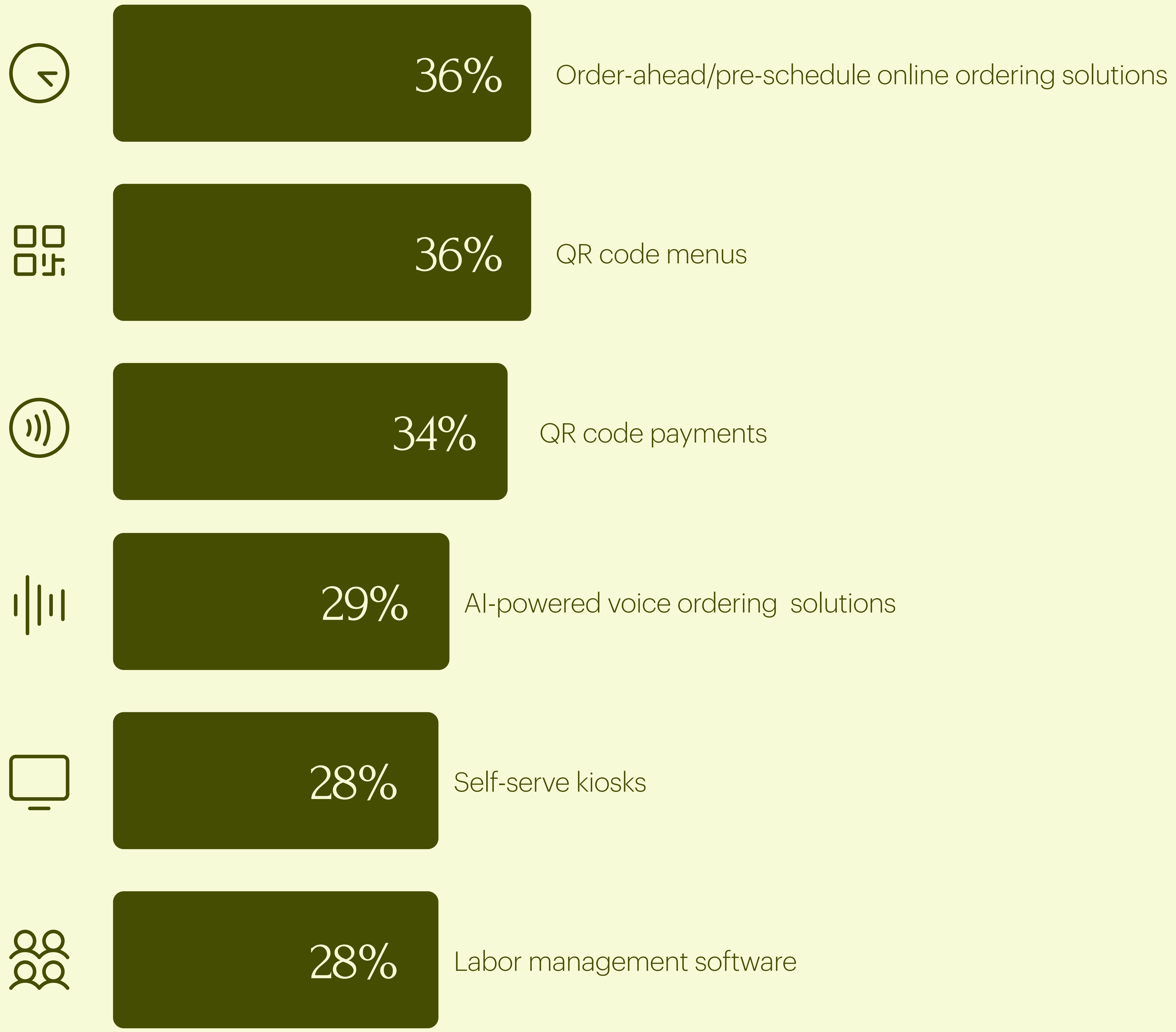
34%
Cross-train/
repurpose staff

30%
Increase staff
retention

28%
Use POS data to
predict scheduling

28%
Introduce new
technology

Top Tech Implemented to Alleviate Labor Concerns



STAFFING & LABOR

Technology as a Strategic Solution to Labor Costs

Rather than cutting staff, operators increasingly turn to technology to stretch their teams further. The most popular solutions directly address common labor pain points: order-ahead platforms (36%), QR codes for menus and payments (36% and 34% respectively), and AI-powered voice ordering (29%).

The technology operators are choosing reveals their priorities. Self-serve kiosks (28%) and labor management solutions (28%) also made the top of the implementation list, but the emphasis clearly falls on tools that speed up service and reduce manual order-taking – not on replacing human interaction entirely.

This measured approach to technology adoption reflects an important lesson from the pandemic years: diners want efficiency, but they still value the human element of dining out. The sweet spot is technology that empowers staff to be more productive, not technology that replaces them.

SURVEY RESPONDENT

> "We tackle labor challenges with flexible hours incentives and cross training while using tech to make work easier."
>
> — General Manager, Family Style, NYC

Staffing Stability Slips After Two Years of Progress

After two years of improvement, staffing challenges showed slight signs of worsening in 2025. While 20% of operators aren't short any positions this year – roughly the same as last year – the average restaurant is now short 5 members, up from 3.8 in 2024 and matching the 2022 high.

The most in-demand role shifted notably as servers topped the list of unfilled positions, replacing bartenders and dishwashers from previous years. This suggests the return of dine-in traffic created demand for front of house staff faster than operators could hire.

What's driving turnover? The average rate climbed slightly to 27%, and the reasons operators cite are telling: employees seeking higher wages, competition from other restaurants, and requests for more hours than restaurants can provide. These aren't issues that technology can solve – they require competitive compensation, strong culture, and clear advancement opportunities.

The silver lining is that 12% of operators report having no staffing challenges whatsoever, up from just 6% in 2024. While that's still a small minority, it suggests some operators have cracked the code on retention and recruitment.

SURVEY RESPONDENT

"Due to rising salaries and competition from other restaurants for the same employees it will be challenging to attract and keep qualified employees."

— General Manager, Family Style, Dallas

5

Average number of positions operators are short (up from 3.8 in 2024)

27%

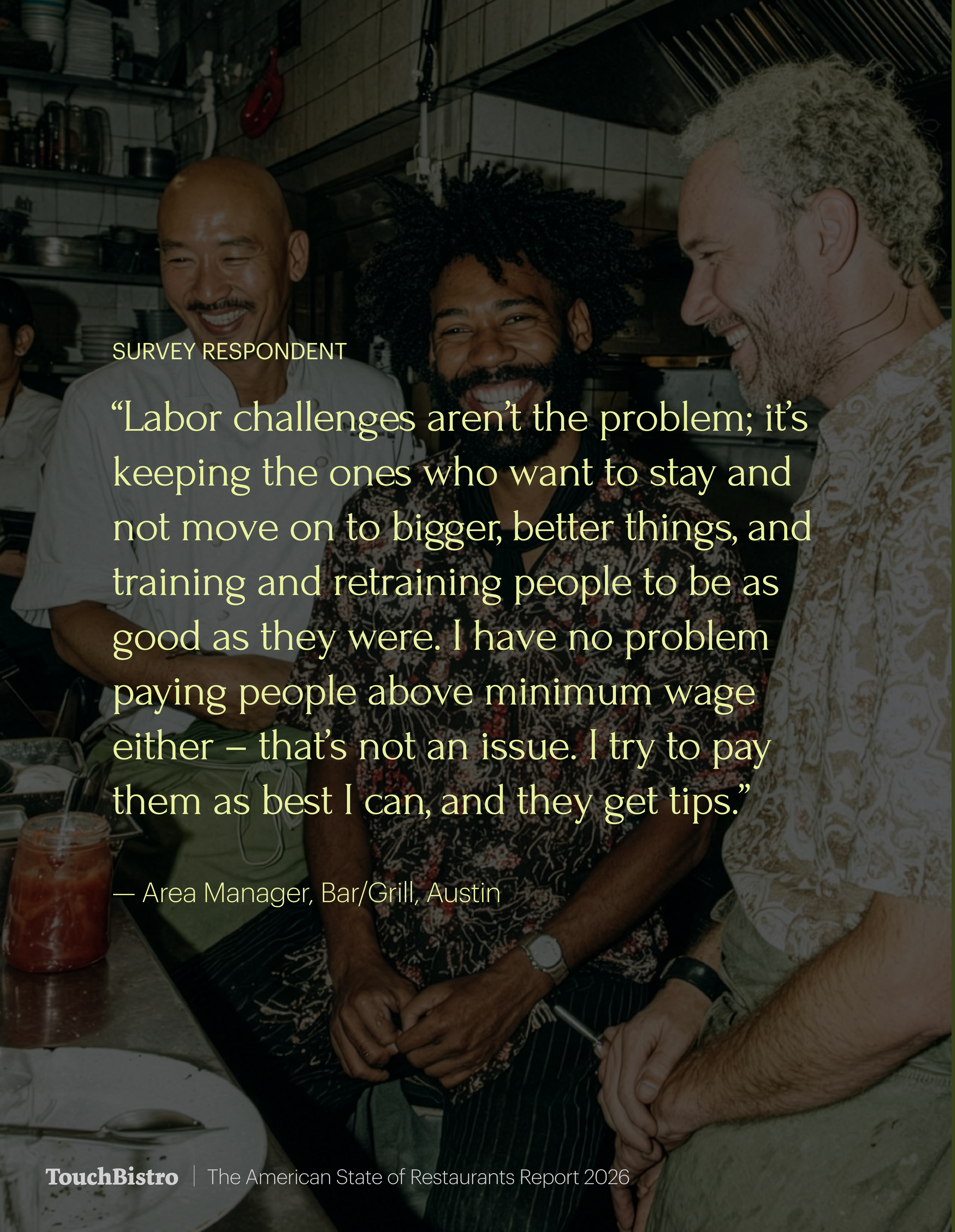
Average turnover rate (up from 26% in 2024)

Top Reasons Employees Leave

OPERATOR SPOTLIGHT

"Staffing has been a key focus for us. By downsizing our menu and increasing staff, we were able to improve efficiency and create a smoother experience for both guests and employees. While adding staff increased costs upfront, it ultimately helped speed up service and gave customers more confidence in their choices."

Edward
Foglight Foodhouse, Walling, TN



SURVEY RESPONDENT

"Labor challenges aren't the problem; it's keeping the ones who want to stay and not move on to bigger, better things, and training and retraining people to be as good as they were. I have no problem paying people above minimum wage either – that's not an issue. I try to pay them as best I can, and they get tips."

— Area Manager, Bar/Grill, Austin

Our Takeaways

The labor crisis isn't going away, but the operators managing it best have stopped treating it as a problem to be solved and started treating it as a reality to be optimized.

- **Invest in technology that increases staff efficiency**
  Order-ahead platforms and QR codes free up your team to focus on hospitality, not order-taking.

- **Make flexibility a competitive advantage**
  The restaurants retaining staff offer flexible scheduling, competitive wages, and clear paths for growth.

- **Train smarter, not longer**
  With training costs dropping, lean into streamlined onboarding processes that get new hires productive faster.

3

Inventory & Menu Management

Tariffs and inflation set the stage for operators to raise prices, but the smartest operators are also finding creative ways to adjust menus and reduce waste.

82%

say tariffs and trade restrictions contributed to inventory challenges

INVENTORY & MENU MANAGEMENT

Rising Food Costs Remain Elevated as Tariff Impact Spreads

The food cost crisis intensified dramatically in 2025, with 54% of operators citing rising food costs and inflation as their biggest inventory challenge – up from 39% the previous year. This sharp increase reflects a new reality: tariffs and trade restrictions – further proof that this year has been anything, but predictable.

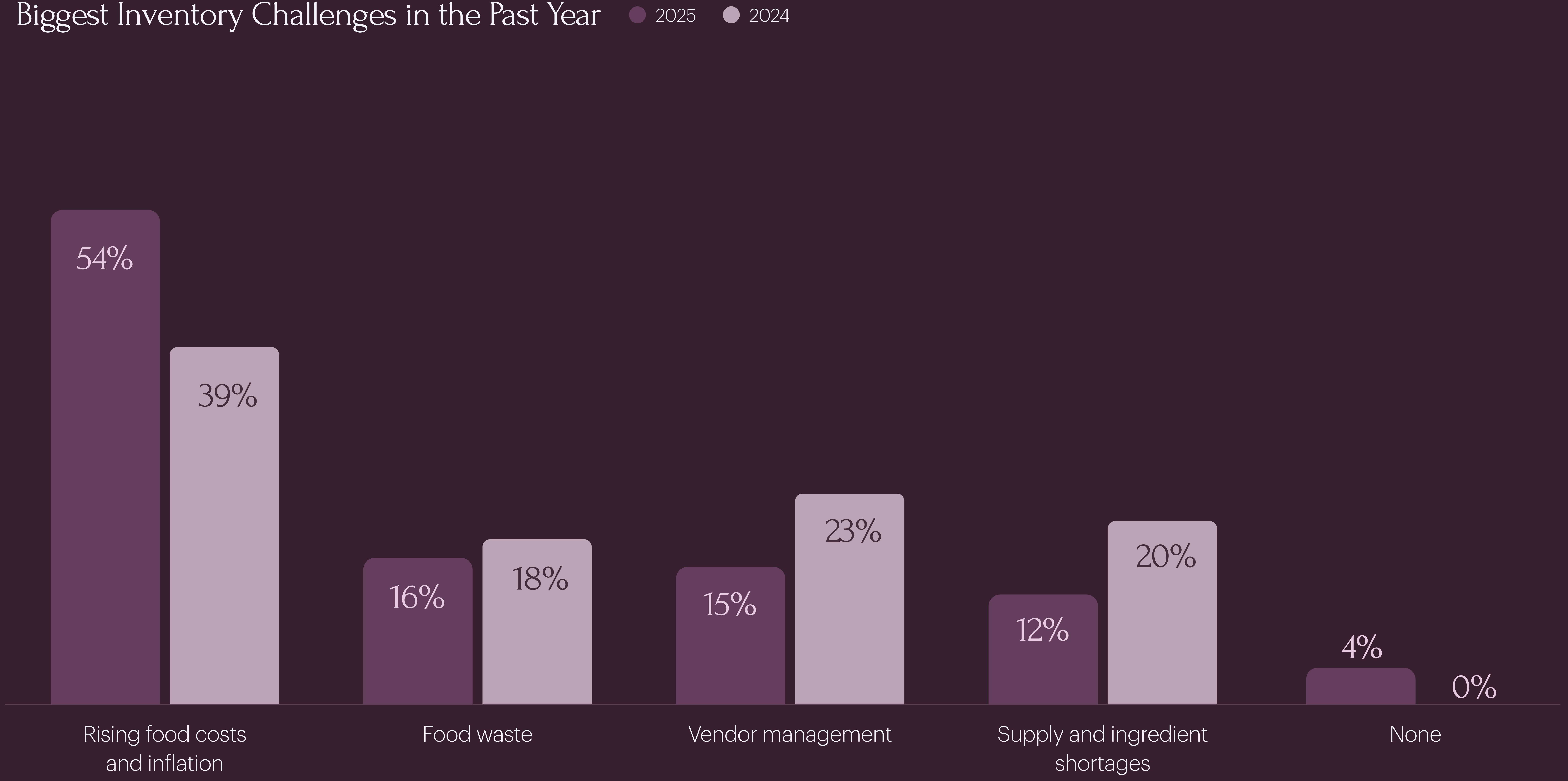
An overwhelming 82% of operators say these policies contributed to their restaurants inventory challenges, with the impact varying slightly by region. Miami (91%) and Austin (90%) felt the heaviest effects, while Los Angeles (64%) saw somewhat less disruption – though even that lower figure represents nearly two-thirds of operators affected.

As for how much more operators are spending on food the average spend is 35%, which is not much different from the previous year. While the increase in food spend is similar to last year, its impact on restaurants has become more widespread, with operators increasingly feeling the pinch of rising food costs and inflation.

35%

is the average operators are spending more on food costs compared to last year

Biggest Inventory Challenges in the Past Year

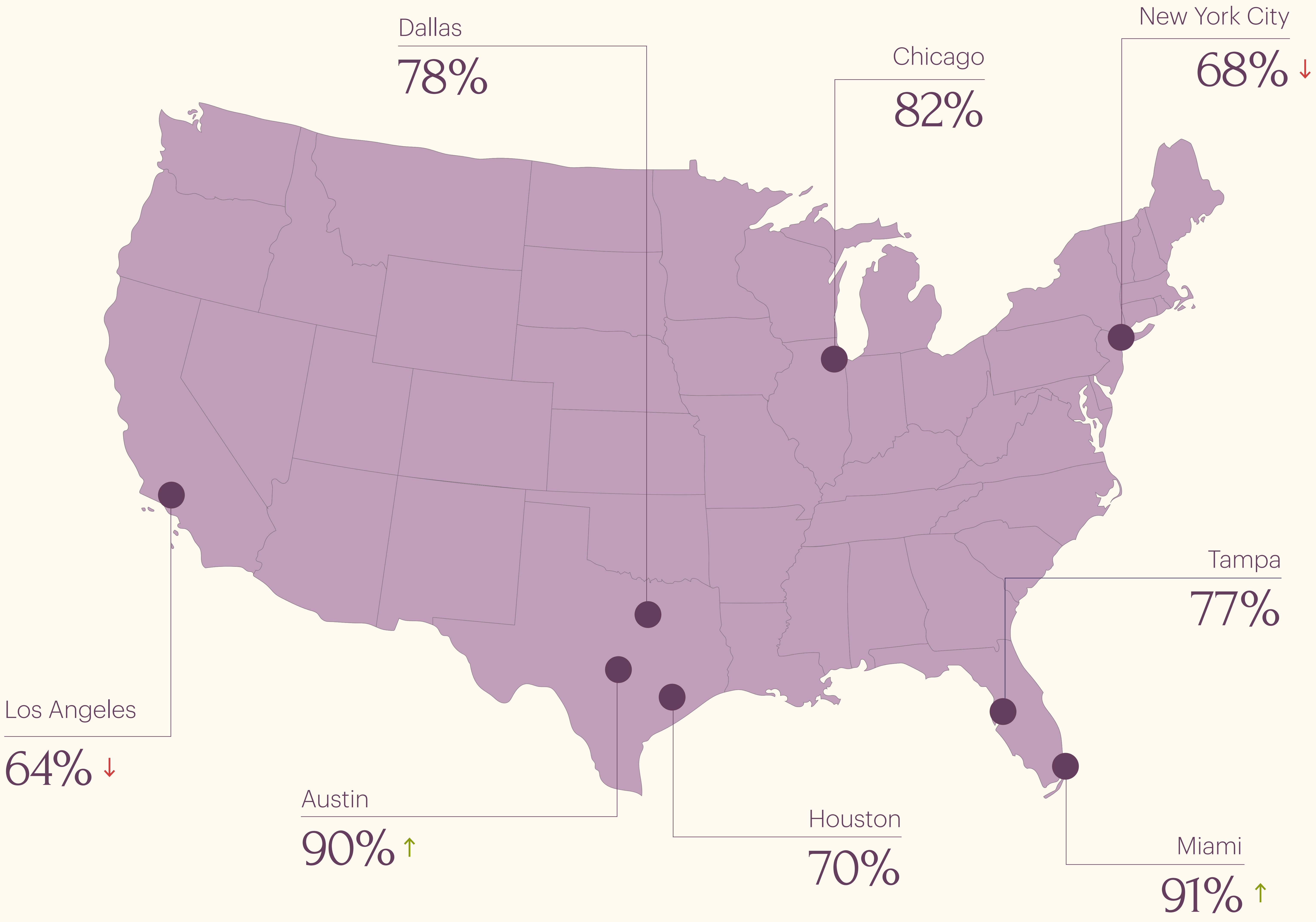


OPERATOR SPOTLIGHT

"As a newer brick-and-mortar restaurant, understanding guest preferences and managing inventory has been a learning curve. We responded by downsizing our menu to focus on our most popular items and making seasonal changes based on customer feedback. Involving guests in the process has helped guide smarter menu decisions and build loyalty."

Desiree
The Grateful Gourmet, Mt Holly, NJ

Impact of Tariffs and Trade Restrictions on Inventory Challenges by City



SURVEY RESPONDENT

"The cost of imported ingredients is high, and tariffs on some specialty imported ingredients have increased, raising costs by 25%."

— Area Manager, Fine Dining, NYC

INVENTORY & MENU MANAGEMENT

Menu Price Increases Back on the Rise

In 2024, less than half of operators stayed clear of menu price increases, hoping to avoid deterring cost conscious diners. That restraint proved unsustainable due to tariff pressures as 68% ended up raising prices – a significant jump from 47% in the previous year. Although they did so more modestly, increasing by an average of 12% compared to 14% in 2024.

These increases weren't arbitrary, as operators carefully evaluated which items could absorb price adjustments and which needed to hold steady to maintain value perception. The result is more strategic pricing that balances covering costs while preserving customer loyalty.

Price increases aren't the only changes operators are making on their menus. The focus on specialized diets – vegan, gluten-free, vegetarian options, and non-alcoholic beverages – declined sharply from 2024 levels. This pullback likely reflects operators simplifying their operations to focus on core offerings rather than niche categories that add inventory complexity.

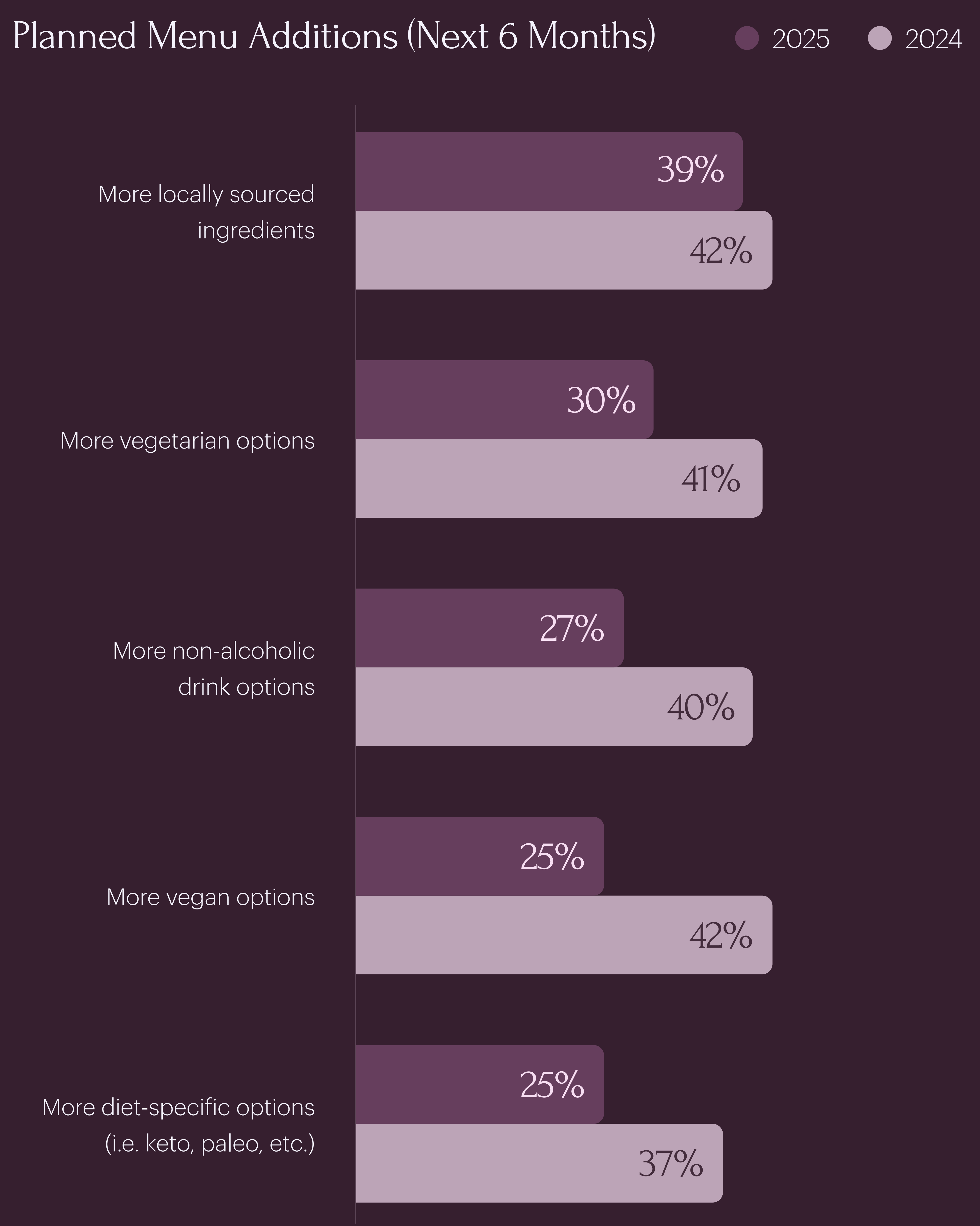
What hasn't changed is their commitment to locally sourced ingredients, with 39% planning to add more in the next six months. Operators also report switching to more affordable ingredients, revisiting portion sizes, repurposing leftover ingredients, and simplifying menus to combat rising costs.

68% ↑

raised menu prices in the past year (up from 47% in 2024)

12% ↓

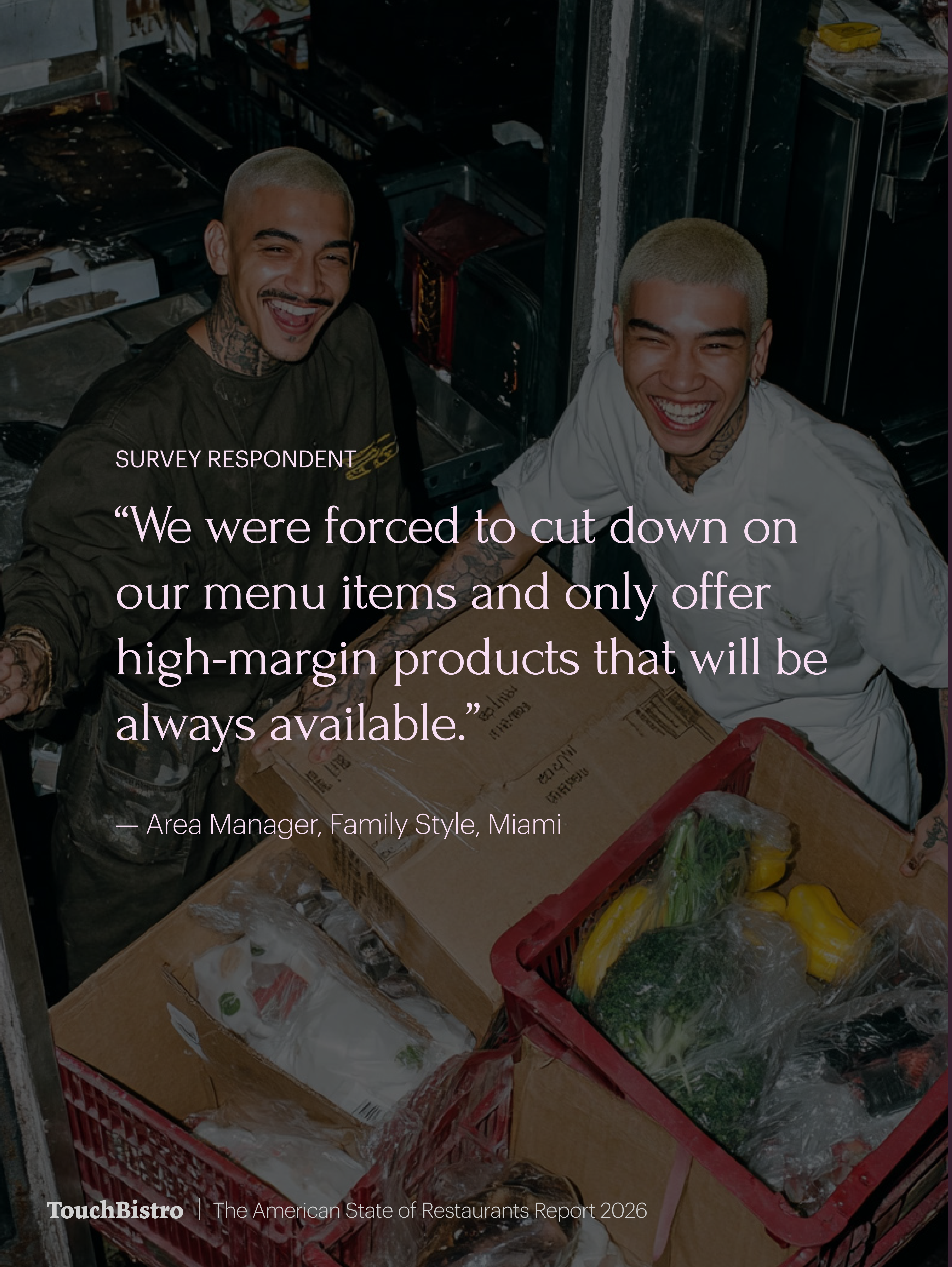
average price increase (down from 14% in 2024)



OPERATOR SPOTLIGHT

"Food costs became a challenge for us as our cost of sales percentage started to climb. By reworking our inventory setup and introducing clearer documentation, we were able to reduce discrepancies and regain control. Those changes have helped improve performance and even boosted morale across the team."

Skyla
Pomona Valley Mining Co., Pomona, CA



SURVEY RESPONDENT

“We were forced to cut down on our menu items and only offer high-margin products that will be always available.”

— Area Manager, Family Style, Miami

Our Takeaways

Menu management in 2025 required a delicate balance: raising prices enough to cover costs, but not so much that you drive customers away. The operators getting it right understand that price increases are just one lever among many.

- **Raise prices strategically, not uniformly**
  Focus increases on items with stronger margins or where customers expect higher pricing (i.e. premium cuts or specialty dishes).

- **Simplify before you substitute**
  Removing low-margin, operationally complex dishes often saves more money than swapping to cheaper ingredients.

- **Watch trends, but don’t chase fads**
  Locally sourced ingredients have staying power, which means highly specialized diet options may not be worth the inventory complexity for most.

4

Takeout & Delivery

Off-premise dining continues its growth trajectory, and operators are increasingly focused on balancing food quality with operational efficiency.

81%

of operators saw takeout/delivery sales increase

TAKEOUT & DELIVERY

Takeout and Delivery Keep Delivering

The off-premise channel proved remarkably resilient in 2025, with 81% of operators seeing takeout/delivery sales increase. Among those experiencing growth, sales jumped an average of 33% – consistent with what operators experienced in 2024, suggesting this channel has found a sustainable growth rate, rather than continuing pandemic-driven spikes.

This steady growth reflects a fundamental shift in consumer behavior: takeout and delivery is no longer a "once-in-a-while" treat – it has become a staple in people's everyday routines. To keep up with growing demand and diners' expectations for speed and quality, without overwhelming staff, 36% of operators implemented order-ahead or pre-schedule online ordering solutions.

The payoff for implementing online ordering is substantial. Since implementing these platforms, operators saw their overall sales volume increase by an average of 18%, up from 16% in 2024. That additional volume doesn't come without challenges, but operators who've invested in the right systems are clearly reaping the rewards.

33%

average sales increase in the off-premise channel

18% ↑

average increase in overall sales volume after implementing online ordering (up from 16% in 2024)

Quality and Efficiency Remain Top Challenges

Growth in off-premise dining creates its own pressures. Operators cite maintaining quality (17%) as their number one online ordering challenge, followed by balancing online orders with in-venue dining (13%) and preparing orders on time (11%).

These concerns reveal a common theme: operators worry that the off-premise experience can undermine the standards they uphold in their dining rooms. Food that sits too long, orders that arrive with mistakes, or packaging that can't hold temperature – all of these can chip away at the overall guest experience they work so hard to deliver.

That's why it's no surprise that when evaluating online ordering platforms, operators place reliability (31%) at the top of the list, followed by POS integration (23%), and cost/fees (19%). Their priorities tell a story: platforms that are unreliable or difficult to manage often lead to lost orders, unhappy guests, and avoidable operational headaches.

Top Online Ordering Challenges in the Past Year

Maintaining quality
17%

Balancing online orders with in-venue orders
13%

Preparing orders on time
11%

Biggest Considerations When Choosing an Online Ordering Solution

Reliability
31% ↑ from 28% in 2024

POS integration
23%

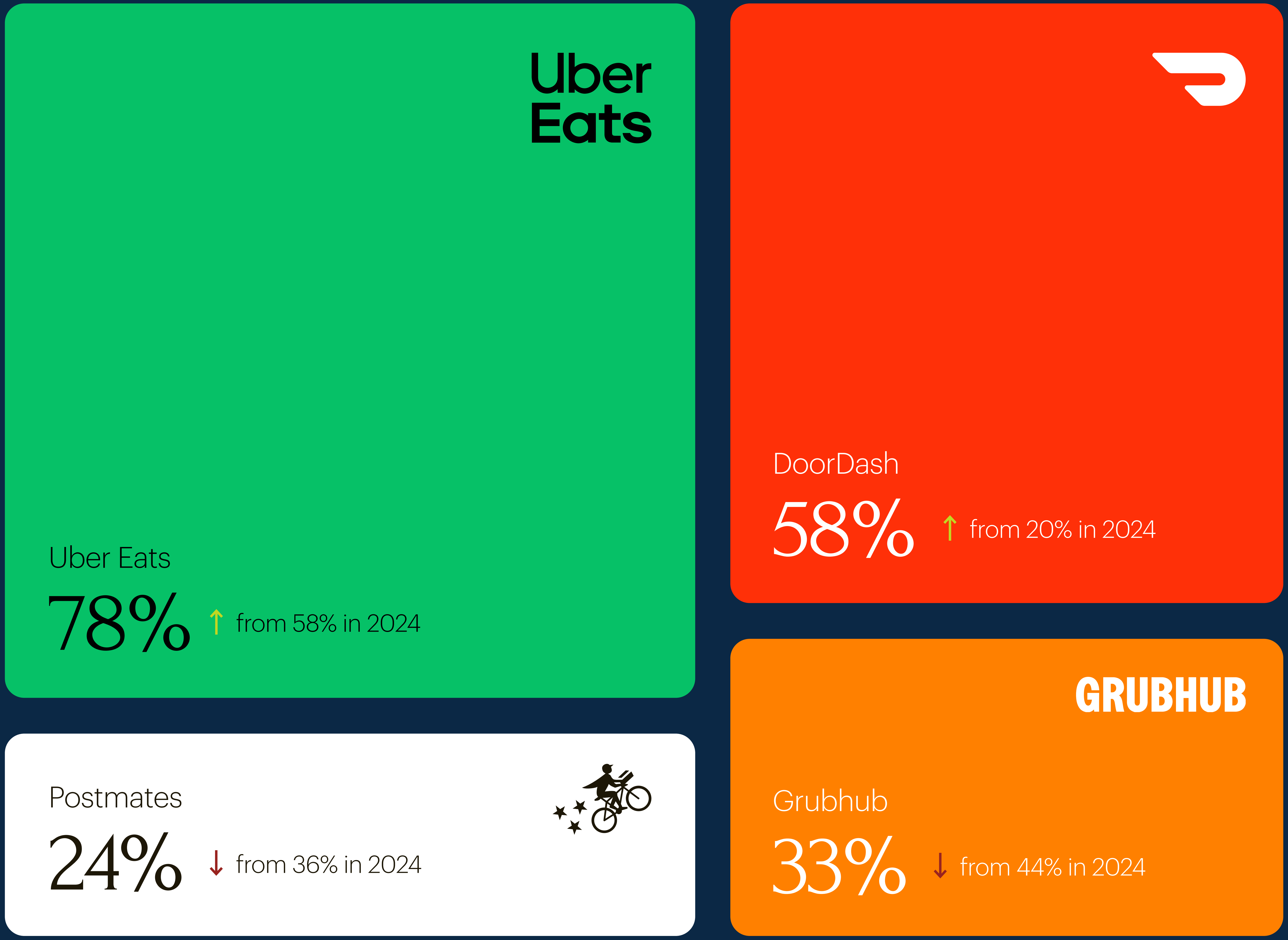
Cost/fees
19%

SURVEY RESPONDENT

“Our online ordering and delivery system ran super smoothly, with way more orders and happy customers.”

— General Manager, Brasserie/Bistro/Café, Houston

Online Ordering Platform Usage



*Other apps accounted for 2%

TAKEOUT & DELIVERY

Operators Use a Mixed Bag of Online Ordering Platforms

In an effort to strengthen both efficiency and quality, operators leaned into a mix of online ordering platforms to see which work best in an already saturated industry. On average they use three platforms – a mix of first-party (direct from restaurant websites) and third-party services (marketplace apps). Nearly half (46%) use a hybrid approach, maintaining both types of solutions to fuel delivery and takeout sales.

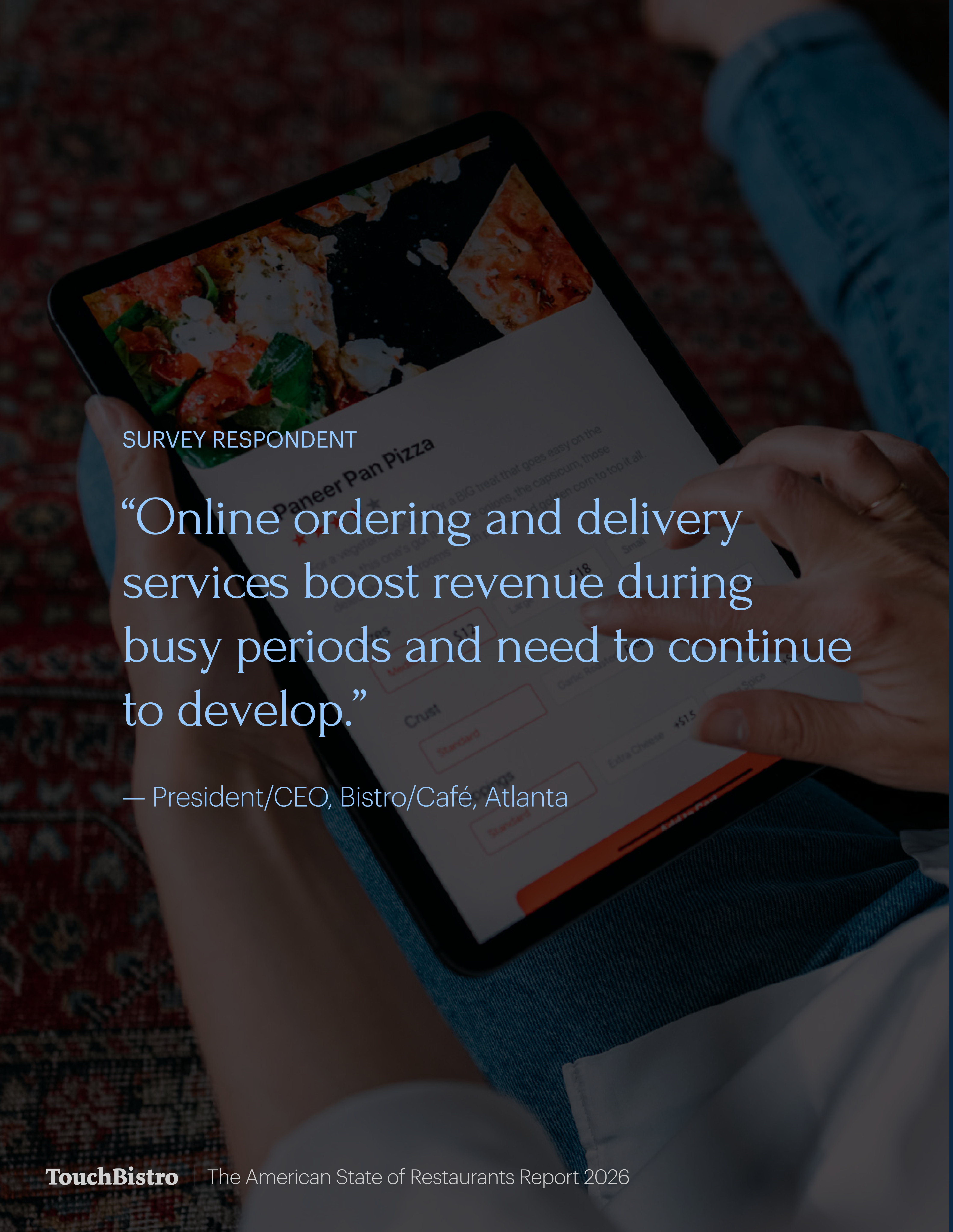
When it comes to first-party solutions DoorDash Online Ordering emerged as the clear favorite, with more than half of FSRs utilizing the platform. On the third-party side, while Uber Eats still maintains its lead at 78% adoption (up from 58% in 2024), DoorDash made the most significant gains, jumping to 58% from just 20% in the previous year.

This shifting landscape suggests operators are actively evaluating which platforms deliver the best combination of reliability, reach, and reasonable fees. The willingness to switch platforms highlights dissatisfaction with the status quo – operators won't tolerate underperformance when their off-premise business represents such a significant revenue stream.

OPERATOR SPOTLIGHT

"With food costs continuing to rise, we've had to be mindful about where we can cut back. At the same time, online ordering has been picking up, giving us an additional revenue stream and helping us meet guests where they prefer to order."

Mitchel
Paw Paw's Place, Asheboro, NC



SURVEY RESPONDENT

“Online ordering and delivery services boost revenue during busy periods and need to continue to develop.”

— President/CEO, Bistro/Café, Atlanta

Our Takeaways

Off-premise dining isn’t going anywhere. The operators who will win this channel are those who treat it with the same care and attention they give to their dining room experience.

Invest in reliability over lower fees

Cheap platforms that fail during busy periods cost you more in lost sales and frustrated customers than you save on commissions.

Design for off-premise, don’t adapt

Some menu items travel better than others. Build a specific off-premise menu rather than offering your entire dine-in selection.

Balance both channels

Your dine-in customers shouldn’t feel neglected because you’re overwhelmed with delivery orders, so investing in and utilizing technology that helps you manage both is essential.

5

Marketing & Loyalty

As budget pressures mount, operators are pulling back on loyalty programs while doubling down on their digital presence and social media marketing.

51%

of operators offer a loyalty program (down from 63% in 2024)

Loyalty Programs Shrink But Their Impact Stays Strong

In a year defined by tighter budgets, many operators took a closer look at discretionary spending – loyalty programs included. Just 51% of operators now offer loyalty programs, down from 63% in 2024. This decline is driven primarily by single location independents managing tight budgets, while multi-location operators with greater resources are seeing higher adoption rates.

Among those who have a loyalty program, 49% of diners engage regularly, slightly up from 46% the previous year – proof that loyalty programs continue to drive meaningful guest behavior, especially when operators have the resources to execute it well.

While personalization still remains a priority for operators, they're being more selective about which types truly matter – especially with tighter budgets. Two-thirds (66%) send customers personalized offers, down from 70% in 2024. The types of personalization have also shifted: location-based offers are now topping the list, followed by offers based on past order history, dietary preferences, and personal details like birthdays that dominated in 2024.

49% ↑

of diners engage regularly (up from 46% in 2024)

66% ↓

send personalized offers (down from 70% in 2024)

Types of Personalized Offers

Offers based on current location	48%	↑ from 46% in 2024
Offers based on past order history	44%	↓ from 48% in 2024
Offers based on personal details (i.e. birthdays)	42%	↓ from 51% in 2024
Offers based on dietary preferences	42%	↓ from 56% in 2024
Offers from related partners/brands	40%	↓ from 45% in 2024

SURVEY RESPONDENT

“Tougher competition has forced us to invest more in online advertising and customer loyalty programs to keep people coming back.”

— General Manager, Fine Dining, Austin

MARKETING & LOYALTY

Online Presence Becomes Non-Negotiable

Even with budgets under pressure, operators doubled down on digital presence. A solid 81% of operators now have a restaurant website, up from 69% in 2024. And among those with websites, virtually all (98%) allow guests to view menus online – a feature that's become table stakes for digital discovery.

The social media landscape also shifted in meaningful ways. Instagram made a strong comeback, with 70% of operators using the platform to promote their restaurant, up from 59% in 2024. This resurgence likely reflects Instagram's growing role as a discovery platform, particularly as micro-influencers and food reviewers drive restaurant recommendations through Stories and Reels.

TikTok maintained its 2024 gains at 48%, while Facebook held steady at 73%. The clearest decline came from Twitter (X), which dropped to 42% from 56% – suggesting operators are concentrating their social media efforts on platforms where food and restaurant-focused marketing content performs best.

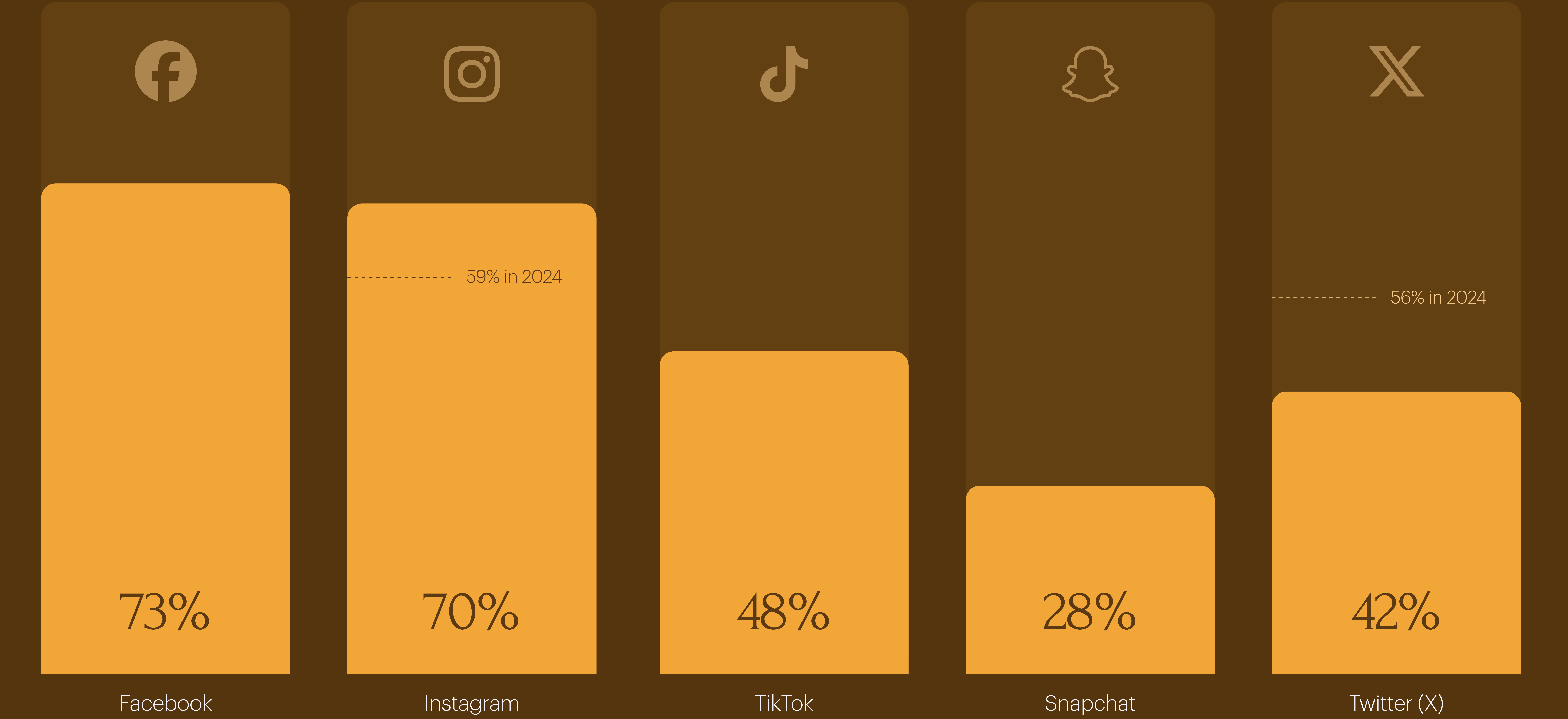
81% ↑

of operators have a restaurant website (vs. 69% in 2024)

98% ↑

of operators allow menu viewing on their website (vs. 95% in 2024)

Social Media Platforms Used



OPERATOR SPOTLIGHT

"Positioning brunch as a destination and launching a pop-up street bar were two strategies that performed especially well for us last year. The street bar generated high-volume beverage sales with minimal overhead, while brunch, paired with live music, attracted new guests and encouraged repeat visits during regular business hours."

Rachel
Back Porch Pizza, Mt Dora, FL

SURVEY RESPONDENT

Targeted social media campaigns increased weekend bookings by 20%."

— General Manager, Atlanta, Brasserie/Bistro/Café

Our Takeaways

The marketing landscape is shifting toward owned digital channels operators control, like their own websites and social media, while paid loyalty programs are getting a closer look – making it essential for operators to show up where diners discover restaurants.

- **Refine loyalty programs, don't abandon them**
  The 49% engagement rate among operators who maintained programs shows that loyalty works when it's built on personalization and it remains one of the simplest ways to drive repeat business.

- **Treat your website as your digital storefront**
  With 81% of operators having a website, having one keeps you competitive and discoverable to researching diners.

- **Focus on Instagram and TikTok for discovery**
  These platforms drive more new customer discovery than any other channel right now, while Facebook remains valuable for communicating with existing customers.

6

Technology

Technology investments continue, but operators now prioritize integrated systems and automation that solve real problems over cutting-edge features that add complexity.

74%

plan to spend more on technology in the next 6 months

TECHNOLOGY

Restaurant Technology Reaches a Turning Point

After years of rapidly adding new tools and systems, operators are pausing to evaluate what's actually working and what's just adding complexity. The result is a shift toward consolidation, integration, and solutions that deliver clear value without extensive training.

This more selective approach doesn't mean spending is declining. In fact, 74% of operators plan to spend more on technology in the next six months, with marketing software (30%), reservation software (28%), and staff scheduling software (26%) topping the investment list. The average monthly technology spend sits similarly to last year at $196. But the criteria for these investments have changed dramatically, as operators now evaluate each tool more carefully to ensure it simplifies, rather than complicates, their operations.

$196/mo

average monthly technology spend

Planned Investments Among Those Who Intend to Spend More on Technology

TECHNOLOGY

Consistency Wins Over Customization

Point of sale systems are now virtually universal (99%), but what's shifted is how operators choose them. Rather than chasing the latest features, 97% of multi-location operators now use the same POS across all venues – up from 86% in 2024 – signaling a clear priority for consistency over customization.

The pace of POS switching and purchasing also slowed considerably – only 53% switched or purchased a new system in the past year, down from 71% in 2024. This slowdown reflects a combination of satisfaction with current systems and hesitancy to disrupt operations with changes that require staff retraining – especially when operators are already managing staffing challenges, rising costs, and other operational pressures.

For those who did make the leap, features and functionality (60%) drove the decision, followed by better costs or lower fees (57%). When evaluating new systems, operators prioritize system reliability (37%), ease of use (33%), and price/affordability (32%) – a clear sign they're choosing tools that make day-to-day operations smoother, not just systems with extra bells and whistles.

97% ↑

use the same POS system at all locations (up from 86% in 2024)

81% ↑

use a POS-integrated payments solution (up from 66% in 2024)

TECHNOLOGY

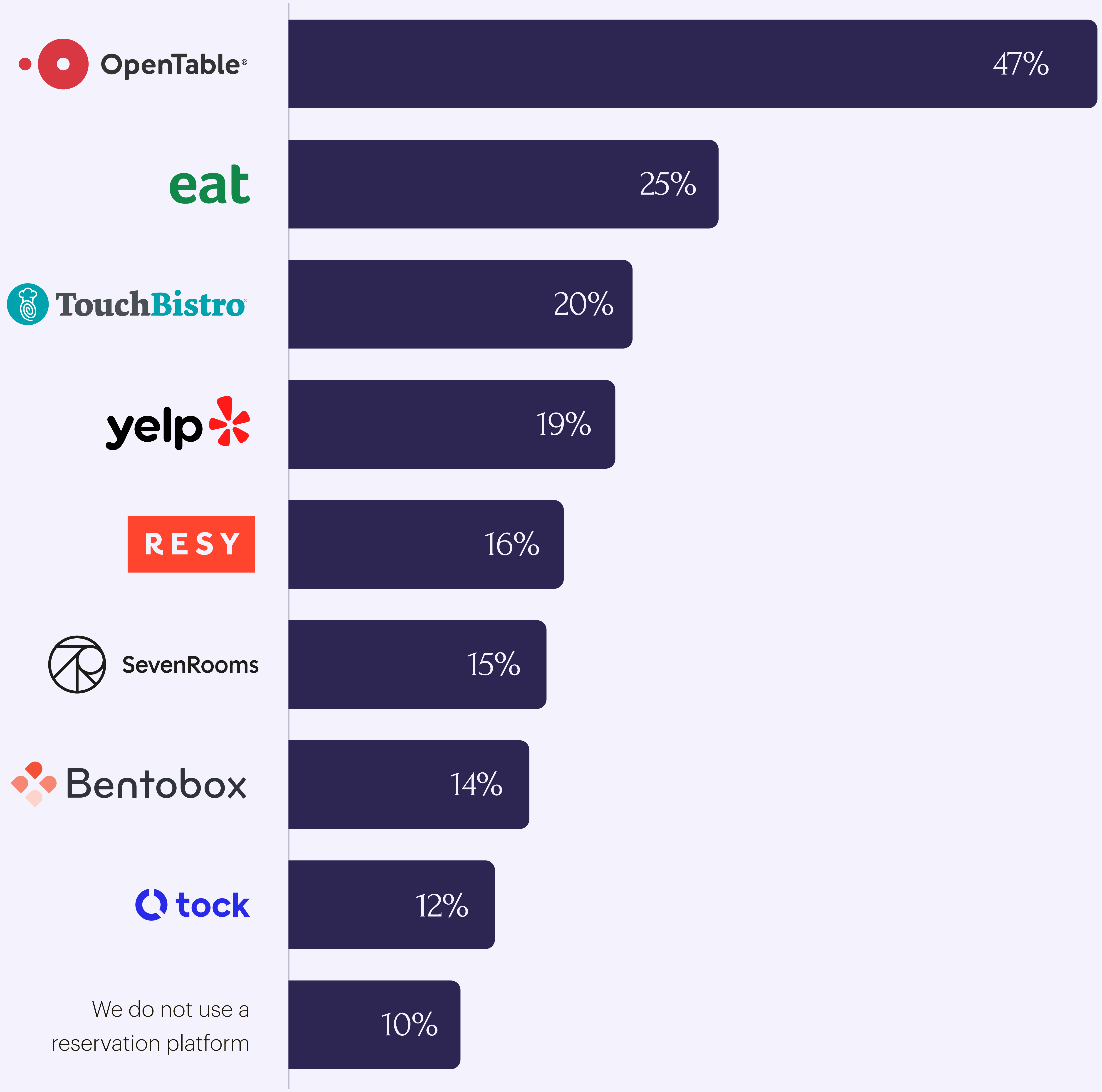
Reservation Tools Emerge as a Strategic Priority

Reservation systems are now nearly universal, with 90% of operators using one to manage their operations. Much like POS systems, operators aren't defaulting to a single provider – they're weighing their options and choosing tools that fit their workflows without adding unnecessary complexity. As a result, usage is spread across several platforms rather than dominated by one clear leader.

OpenTable is most widely used at 47%, followed by Eat App (25%), and TouchBistro Reservations (TB Dine) (20%).

What stands out most is what comes next: reservation tools are among the top technology investments operators plan to prioritize in 2026. This signals a growing emphasis on operational efficiency and shaping the guest experience well before diners walk through the door.

Reservation Platform Usage



SURVEY RESPONDENT

"Getting my servers used to the POS system because they often aren't used to the lingo in a restaurant and they don't understand how to use the interface instead of trying to communicate to the kitchen directly."

— Owner, Bar/Grill, NYC

Top Motivating Factors for Switching POS Systems

Features and functionality
60%

Better costs or lower fees
57%

Technical issues
37%

Top Factors When Choosing a New POS

System reliability
37%

Ease of use
33%

Price/affordability
32%

TECHNOLOGY

AI Adoption Continues, But Strategic Use Wins

This preference for simplicity over complexity also shows up in how operators think about emerging technologies like AI. Overall sentiment remains strong: 85% of operators feel positive or extremely positive about AI advancements, down slightly from 89% in 2024. And while AI adoption has dropped from 95% in 2024, 87% of operators shared that they are already using some form of AI, most commonly for menu optimization, followed by reservations/booking and inventory management. The drop suggests that operators see value in AI, but still need clearer use cases and smoother workflows before expanding adoption.

Where AI hasn't caught on is just as telling. Phone answering and voice ordering remain niche, suggesting operators want AI working behind the scenes rather than interacting directly with guests. This finding aligns with part of a larger trend that keeps surfacing in the data: operators want to preserve human interaction where it matters most.

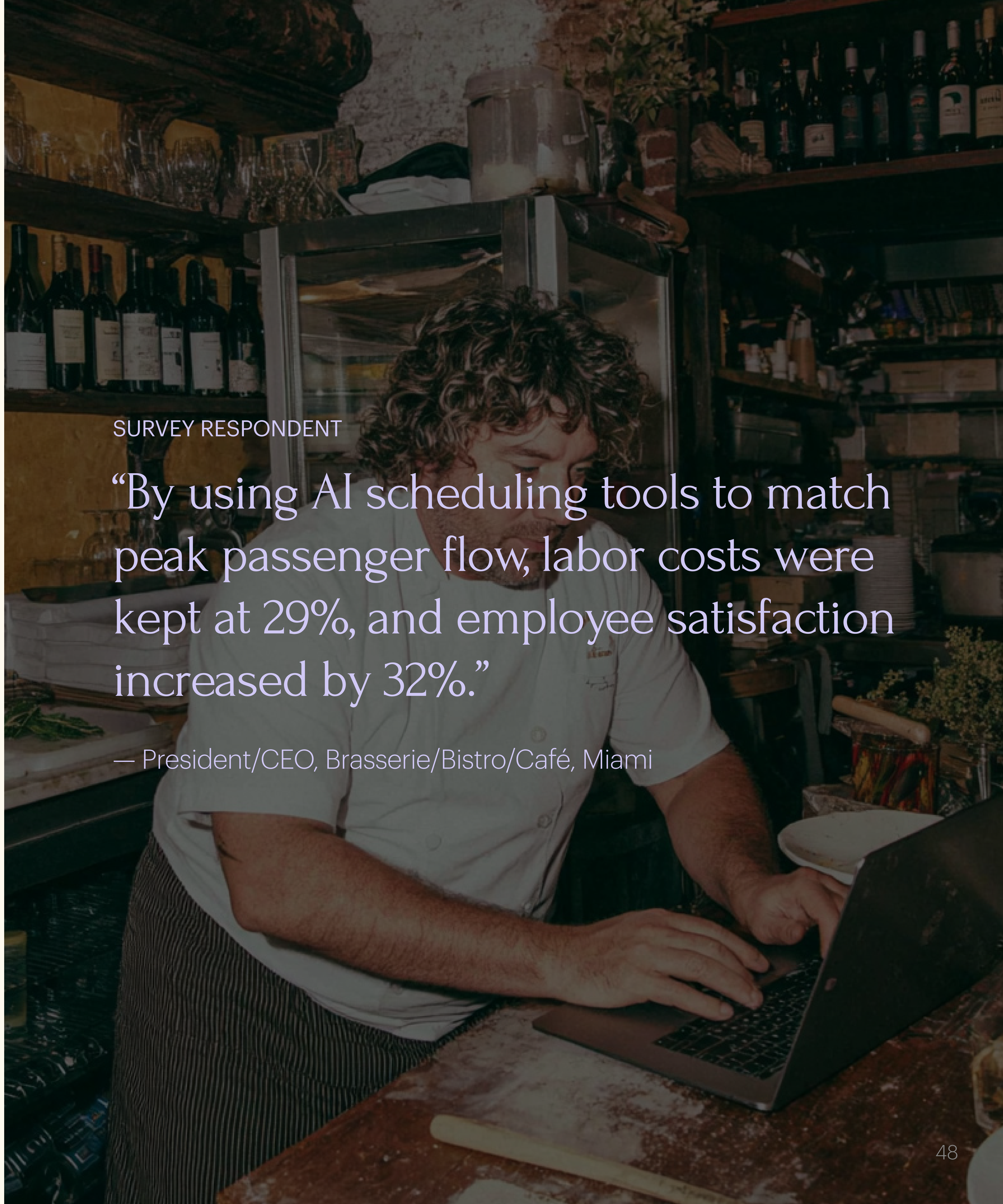
The biggest concern around AI? That it will add complexity instead of reducing it. Operators are navigating high food costs, labor pressures, and supply chain challenges, there's little room for tools that create extra work. Operators want AI that runs quietly in the background, is easy for staff to learn, and delivers a clear ROI.

85%

feel positive about AI (down from 89% in 2024)

87%

use some form of AI



SURVEY RESPONDENT

"By using AI scheduling tools to match peak passenger flow, labor costs were kept at 29%, and employee satisfaction increased by 32%."

— President/CEO, Brasserie/Bistro/Café, Miami

Current Use of AI Solutions

AI menu optimization
31%

AI reservations/ booking
30%

AI inventory management
30%

AI menu creation
28%

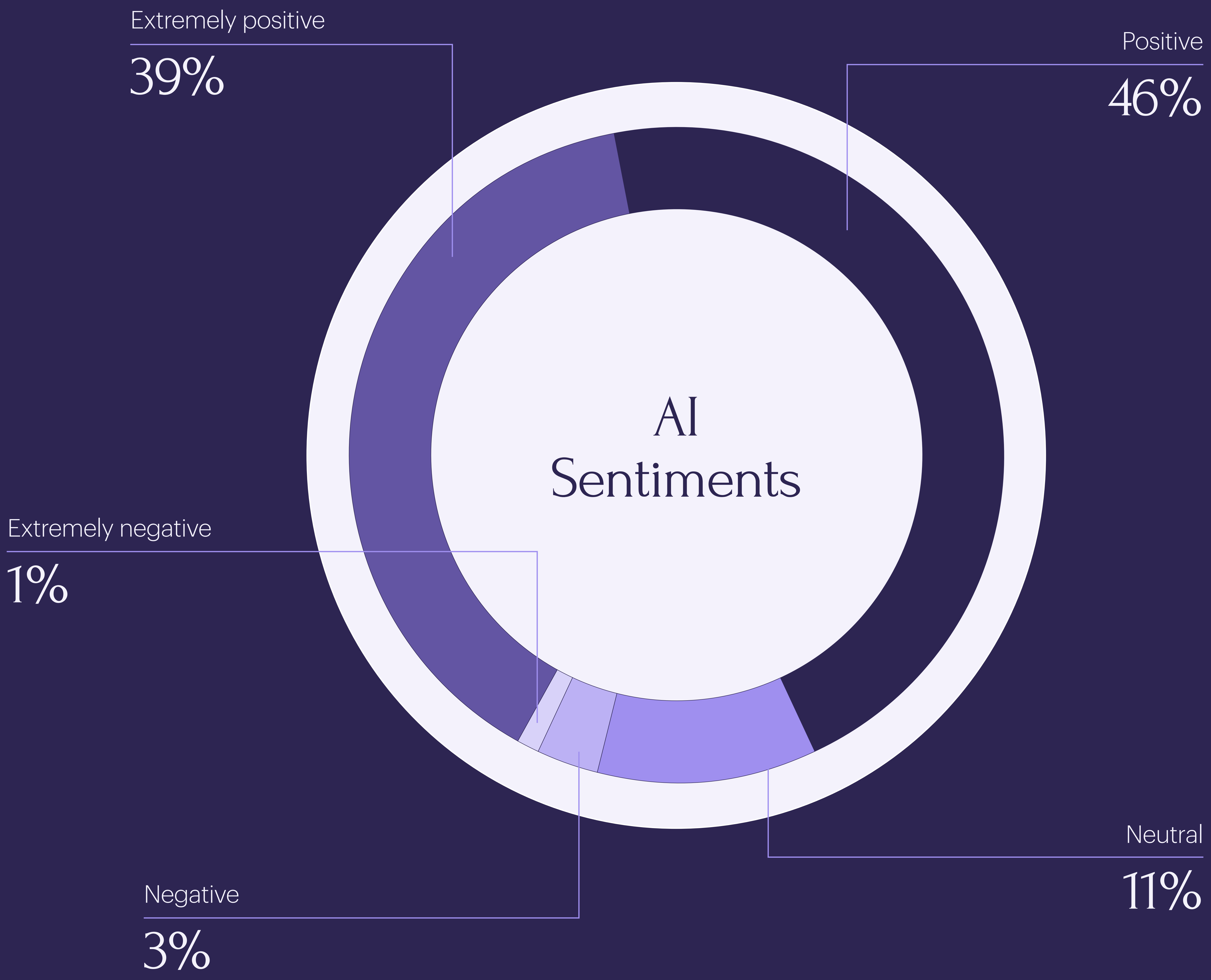
AI content creation for marketing purposes
25%

AI voice ordering
24%

AI sales forecasting
24%

AI staff scheduling
24%

AI phone answering
22%



SURVEY RESPONDENT

"We haven't really faced any big challenges when it comes to technology this year. Last year, though, we had a lot of different difficulties with the AI that we were using."

— Area Manager, Fine Dining, Miami

TECHNOLOGY

Automation Delivers Measurable Results

While AI adoption remains somewhat cautious, automation – technology that handles repetitive tasks based on predefined rules continues to accelerate. Online ordering automation jumped to 68% from 57% in 2024, while payroll (54%), invoicing (52%), and kitchen order routing (52%) also saw strong adoption.

Operators are clear on why automation is gaining traction. Faster service (52%) tops the list, dramatically from 37% in 2024 – a direct response to customer expectations for speed. Other benefits included saved time, increased sales, and even happier customers.

Even so, some barriers still hold operators back. System reliability concerns (30%), high upfront costs (29%), and POS integration challenges (26%) are the main blockers. Interestingly, very few feel overwhelmed by the technology itself – it's about making sure it actually works in the flow of daily operations without adding unnecessary complexity.

SURVEY RESPONDENT

"Streamlined ordering systems reduced wait times and improved service."

— President/CEO, Brasserie/Bistro/Café, Chicago

Top Tasks That Operators Have Automated

68%
Online ordering (up from 57% in 2024)

54%
Payroll

52%
Invoicing

52%
Kitchen order routing

51%
Email marketing

Top Benefits of Automation

52%
Faster service (up from 37% in 2024)

42%
Saved time

40%
Increased sales

Top Barriers to Automation

30%
Concerned with system reliability

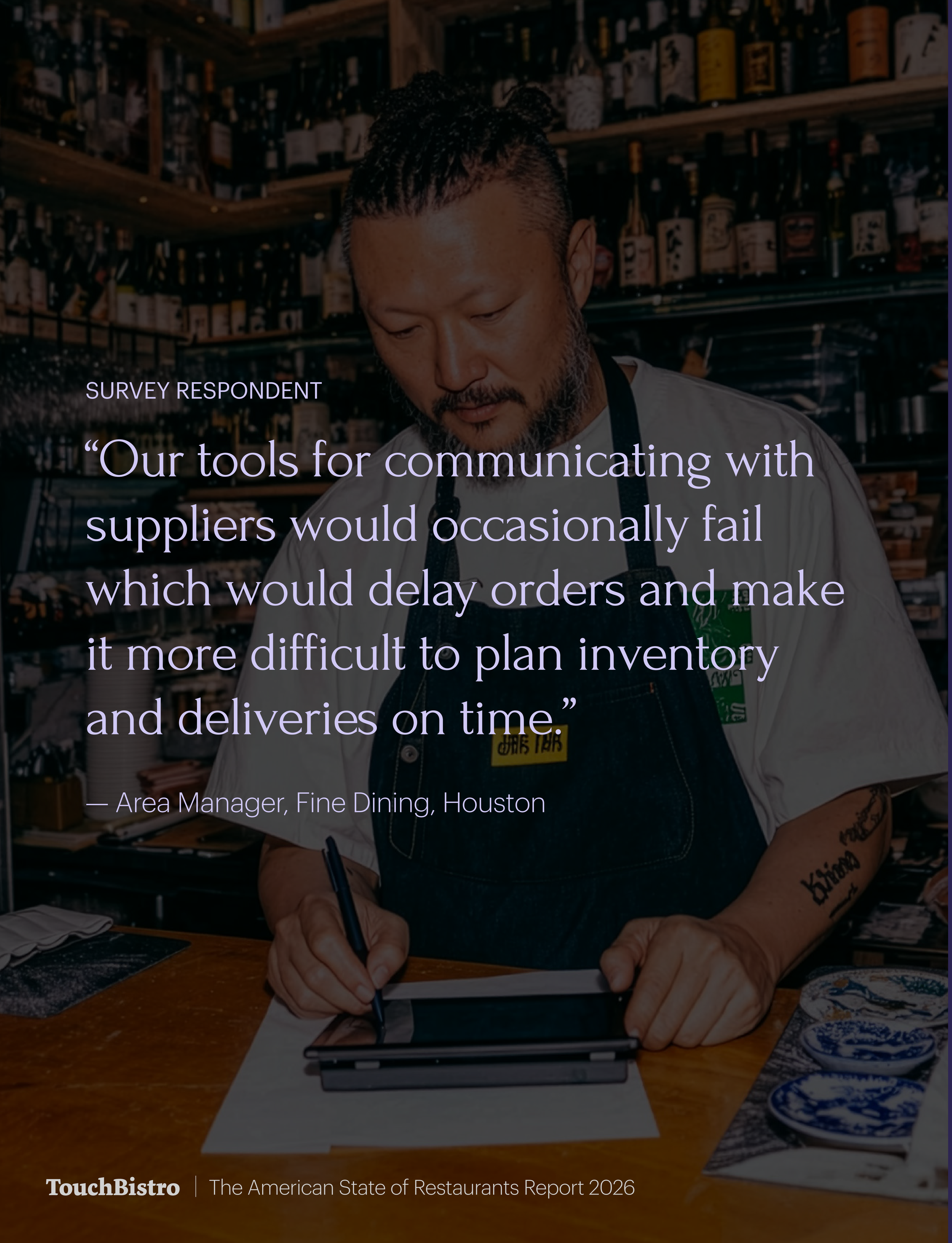
29%
High upfront costs

26%
Concerned with POS integration

OPERATOR SPOTLIGHT

"With fluctuating demand throughout the year, keeping operations running smoothly has been a challenge. We're introducing a new inventory system to improve the overall flow of the restaurant and gain better visibility into what we're using, helping us operate more efficiently across both busy and slower seasons."

Anesa
Rivers Bend Family Resort, Joplin, MO



SURVEY RESPONDENT

> “Our tools for communicating with suppliers would occasionally fail which would delay orders and make it more difficult to plan inventory and deliveries on time.”
>
> — Area Manager, Fine Dining, Houston

Our Takeaways

Technology is no longer optional, but operators have learned that more isn’t always better. The focus has shifted from accumulating features to finding solutions that actually solve problems without creating new ones.

- **Prioritize ease of use over feature richness**
  The best POS system is the one your entire team can use confidently, not the one with the most capabilities.

- **Let AI work behind the scenes**
  Inventory management, menu optimization, and reservations are perfect AI applications. Customer-facing roles still benefit from human interaction.

- **Automate the repetitive, preserve the personal**
  Online ordering, payroll, invoicing, and order routing should be automated. Customer conversations and hospitality should remain human.

LOOKING AHEAD

Top 5 Trends for 2026

In the face of an unpredictable year, 2026 will be defined by operators who've learned to turn challenges into competitive advantages.

Here are the five key trends shaping the year ahead.

Labor Optimization Becomes Non-Negotiable

Labor costs and shortages continued to climb in 2025 with no signs of slowing down. In 2026, the operators who thrive won't be those with the most staff – they'll be the ones who've made existing teams more productive through smart technology like QR payments, automated scheduling, and AI-powered inventory management, while reducing burnout through flexible scheduling and cross-training.

Strategic Menu Engineering Becomes Essential

Menu price increases returned in 2025, but blanket price hikes aren't sustainable anymore. In 2026, successful operators will use integrated POS and inventory data to engineer their menus strategically: raising prices on high-margin items, protecting value favorites, and removing dishes with low profitability or excessive complexity. The key is knowing not just what sells, but what it costs to make, then pricing accordingly.

Off-Premise Becomes an Equal Priority

Off-premise sales growth proved this channel is here to stay, yet most operators still treat it as secondary to dine-in. In 2026, leading operators will build off-premise as its own channel with dedicated systems – from integrated online ordering to kitchen display systems that separate takeout from dine-in tickets – using separate workflows, travel-optimized menus, and technology that routes orders efficiently without disrupting the dining room.

Digital-First Discovery Becomes Table Stakes

The diner journey now starts online, with consumers "scrolling" for their next meal before leaving home. In 2026, a simple website or social account won't be enough – operators need professional content (especially on Instagram and TikTok), consistent engagement to stay top-of-mind, and seamless paths from discovery to action, or risk becoming invisible to digitally-savvy diners.

Practical Technology Wins Over Flashy Features

After years of accumulating disconnected tools, operators are facing technology fatigue. In 2026, adoption will shift toward integrated, all-in-one platforms where reliability and ease of use trump cutting-edge features. Before adopting new technology, ask: Does this integrate with what we already have? Can our entire team use it confidently? Does it solve a real problem or create a new one?

TouchBistro

CONCLUSION

2025 proved that "unpredictable" isn't just a temporary condition – it's the operating environment operators need to master.

Despite tariffs, historically high labor costs, and economic uncertainty, the data tells an encouraging story: profit margins climbed back into double digits, debt levels dropped significantly, and 86% of operators remain optimistic about what's ahead.

This reliance came from adapting faster than problems emerged – investing in technology, raising prices strategically, seeking out new revenue streams, and expanding their digital presence to attract new customers.

The challenges facing operators in 2026 won't disappear, but the operators who thrived in 2025 have proven they can turn constraints into competitive advantages. The question is no longer whether the restaurant industry can handle what comes next – it's about which operators will continue to embrace unpredictability as the new normal and thrive within it.

TouchBistro

ABOUT TOUCHBISTRO

Tackle 2026 & 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

The best POS system is the one your entire team can use confidently, not the one with the most capabilities.

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 >

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, Miami, and Tampa. Drawing on insights from TouchBistro customers and anonymous survey respondents, the report captures both detailed individual experiences and broader industry sentiment. Our research was conducted from October 2 to October 25, 2025.

Location

Atlanta: 3%
Austin: 8%
Chicago: 8%
Dallas: 8%
Houston: 8%
Los Angeles: 8%
Miami: 11%
Nashville: 1%
New Orleans: 3%
New York City: 8%
Philadelphia: 7%
San Diego: 7%
Tampa: 9%
Washington: 9%

Years in the Industry

1-5 years: 27%
6-10 years: 41%
11-15 years: 23%
Over 15 years: 8%

Type of Restaurant

Brasserie, bistro, or café: 26%
Bar and grill: 17%
Fine dining: 28%
Family style: 30%

Number of Locations

Just 1 location: 37%
2-4 locations: 49%
5-10 locations: 11%
More than 10 locations: 1%

Size of Restaurant

<20 seats: 4%
21-40 seats: 38%
41-80 seats: 38%
81-120 seats: 17%
120+ seats: 3%

Ownership

Independent: 76%
Part of a restaurant group: 24%

Dining Options Offered

Indoor dining/dining room: 99%
Patio/outdoor dining: 81%
Delivery: 80%
Takeout/curbside pickup: 82%

Annual Revenue

<$1M: 19%
$1M-2M: 56%
$2M+: 25%

Current Role

Owner: 20%
President/CEO: 18%
General Manager: 46%
Area Manager: 16%

2026

The American State of Restaurants Report

TouchBistro®