



ANNUAL RESTAURANT
INDUSTRY REPORT

2025

QSR Operational Index

In this report

This report is for restaurant people, by restaurant people. You'll discover a wealth of insights drawn from the industry in 2024, covering everything from the state of third-party delivery to state-specific employee data.

Use the index to benchmark your business and make data-backed decisions. You'll also find data-informed strategies and tips along the way to enhance your own performance. In the spirit of hospitality: Enjoy!

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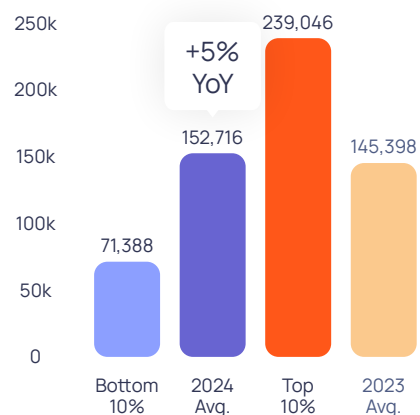


01

sales + customer
experience

Transactions, guest checks, + beverage sales

Transactions per store



Guest check avg. per store



Guest checks on the rise

QSR guest checks are up **8% YoY** with only 4.1% due to price hikes.

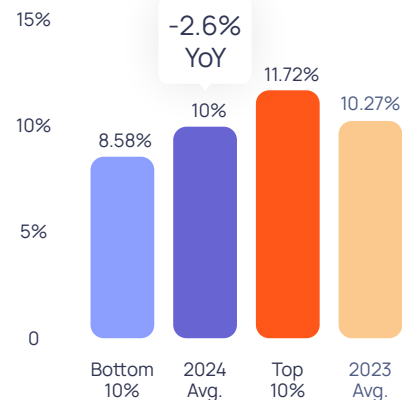
December drove the largest average guest checks for QSR and non-QSR restaurants, while August saw the largest number of transactions per store for QSRs and March for non-QSRs. During 2024, QSRs saw average guest checks increase by 7.7% or \$1.15 between January and December, while non-QSRs saw an increase of only 2.6% or \$0.80.

Beverage sales remain steady

Sales of beverages are a profit booster for both QSR and non-QSR restaurants. Beverages are an item often not included in delivery orders, but may be an opportunity to add more profit to that channel.

In 2024, QSRs saw a constant rate of beverage sales throughout the year, with a high of 58% in August and a low of 54% during the months of February, March, April and May. Non-QSR businesses also remained steady, with the exception of a slight uplift during the summer and end-of-year months.

Beverage % of sales



Avg. # of beverages per transaction

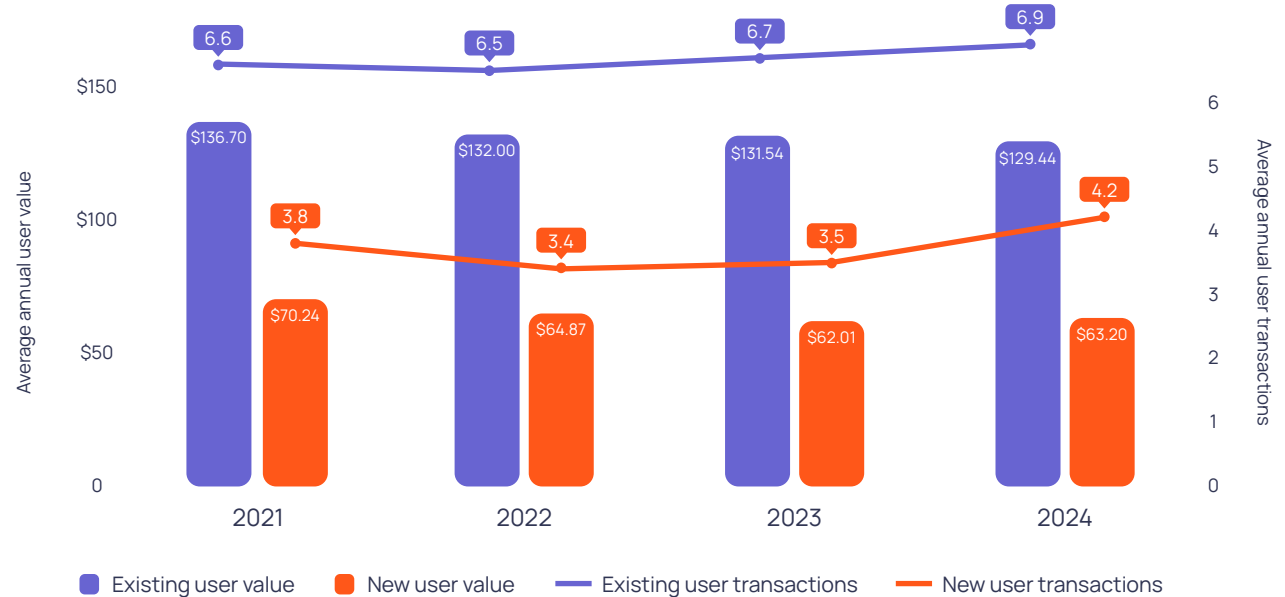


Loyalty vs non-loyalty program sales

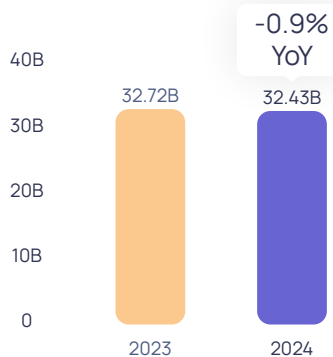
Loyalty is the secret sauce

Despite a 5.3% drop in non-loyalty transactions in 2024, loyalty transactions jumped 30.8%, driving a YoY sales boost. With non-loyalty sales down 1% and loyalty sales up 33.8%, a strong loyalty strategy is proving to be a powerful growth engine. Brands that invest in targeted campaigns and digital engagement can offset traffic declines, while those without a robust strategy risk getting left off the menu.

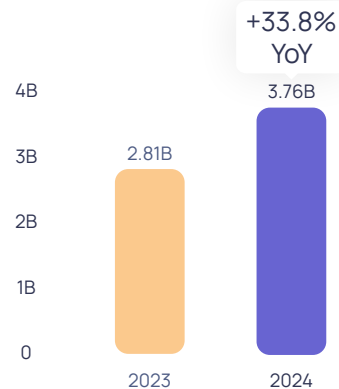
New users vs existing users: Average annual transactions and value



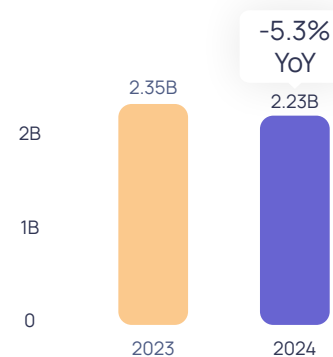
Non-loyalty sales



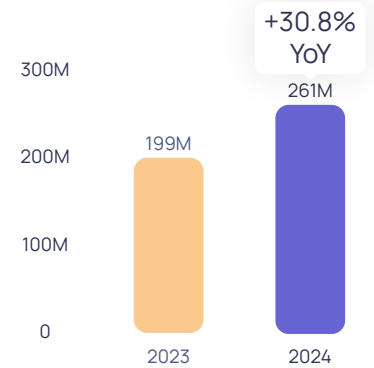
Loyalty sales



Non-loyalty transactions



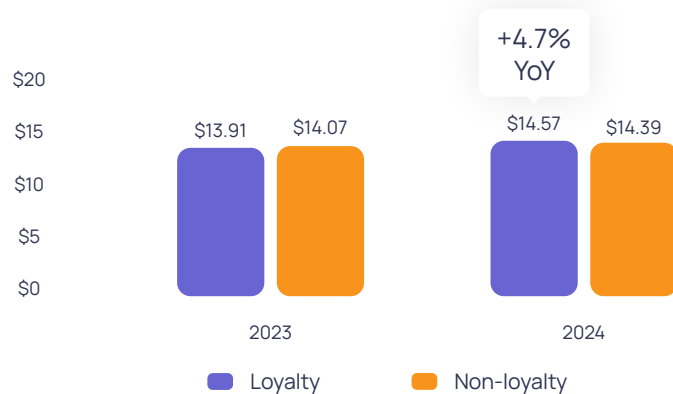
Loyalty transactions



LOYALTY EVOLUTION

Campaign types and guest checks

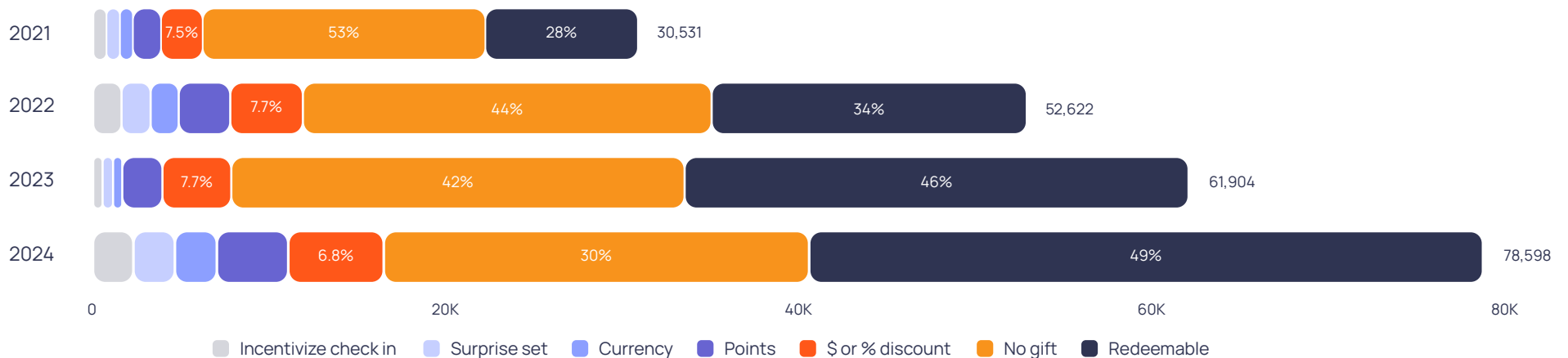
Check size: Loyalty vs Non-loyalty



Campaign strategies are shifting due to market saturation

Pre-pandemic, no gift promotions led the way, but today's market is flooded with loyalty offerings. As consumer preferences evolve, brands must be proactive and agile to retain or regain market share. Despite redeemable promotions becoming the leading choice, the average loyalty check size overtook the average non-loyalty check size. This demonstrates that stores with strategic loyalty solutions will continue to see value as customers are willing to spend more when seeing rewards for their loyalty.

New campaigns by gift type



FAST AND FRESH

Voice of customer + speed of service

73.68%

average customer
satisfaction %

3m 50s

average
drive-thru time

Speed of service on the rise

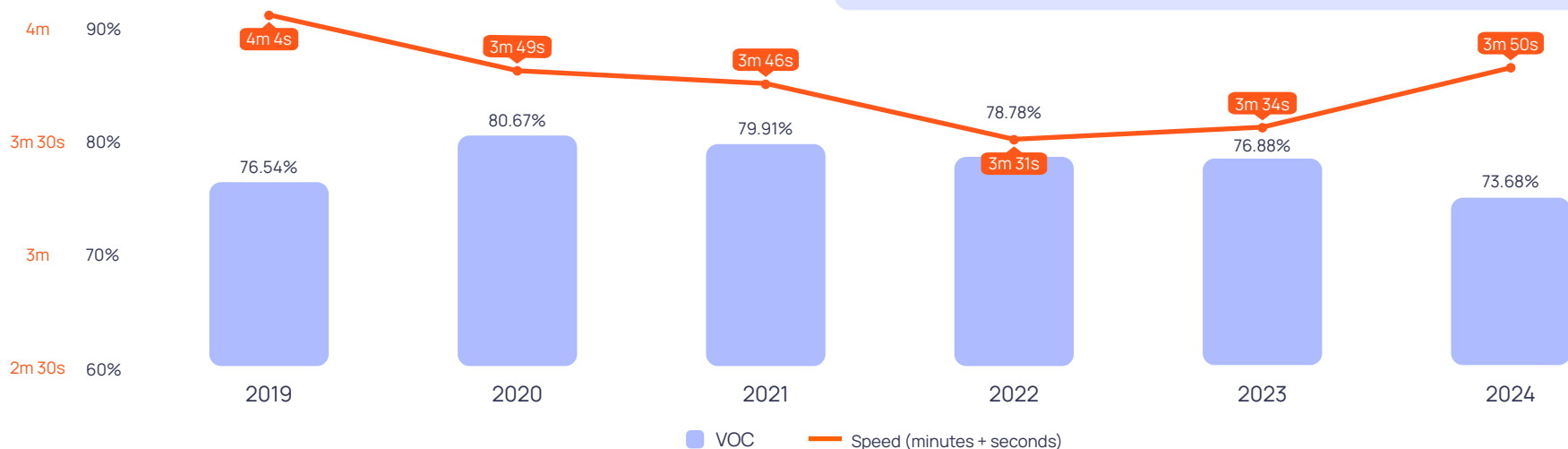
The speed of service highly influences customer experience. Longer drive-thru times translate into lost sales when frustrated customers leave without their meals and without paying.

SOS dissatisfaction will also negatively impact future sales, as customers may not return if they experience delays on a visit.

Data to calculate SOS and VOC is often difficult to report on and access, but its findings are highly impactful to the bottom line,

Investing in AI solutions to improve drive-thru times and minimize frustrations for employees and customers is strongly suggested.

6-year trend: VOC + SOS (system averages)



02

delivery

ON-DEMAND DINING

Sales + transactions by channel

Increased focus on first-party engagement is working

In 2024, restaurant brands focused on growing sales and engagement within their first-party mobile apps, giving them more control over the customer experience and the data to provide a personalized ordering experience for the consumer.

Focus on first-party apps is shifting delivery sales

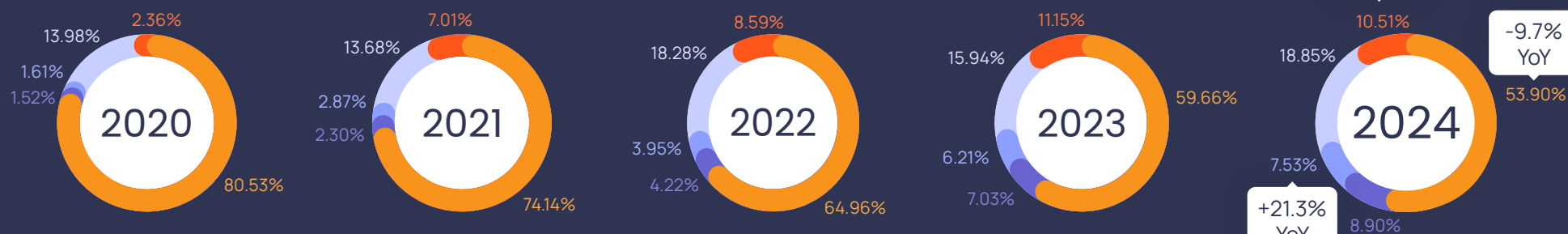
Consumers love convenience; And they've found it in digital channels like mobile, kiosk, and delivery. As leading brands make a push for guests to leverage digital via apps and first-party delivery offerings, these channels continue to grow **FAST**.

Mobile/1st-party is up 21.3% YoY and over 368% since 2020.

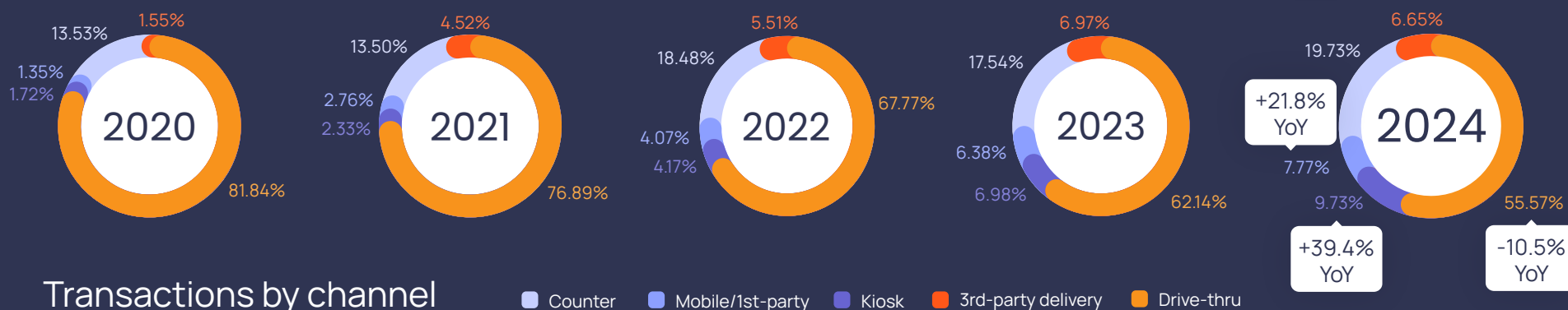
Kiosk channel is up 27% YoY and up 49% since 2020.

Third-party delivery is down 5.7% YoY, but still up 383% since 2020.

Sales by channel



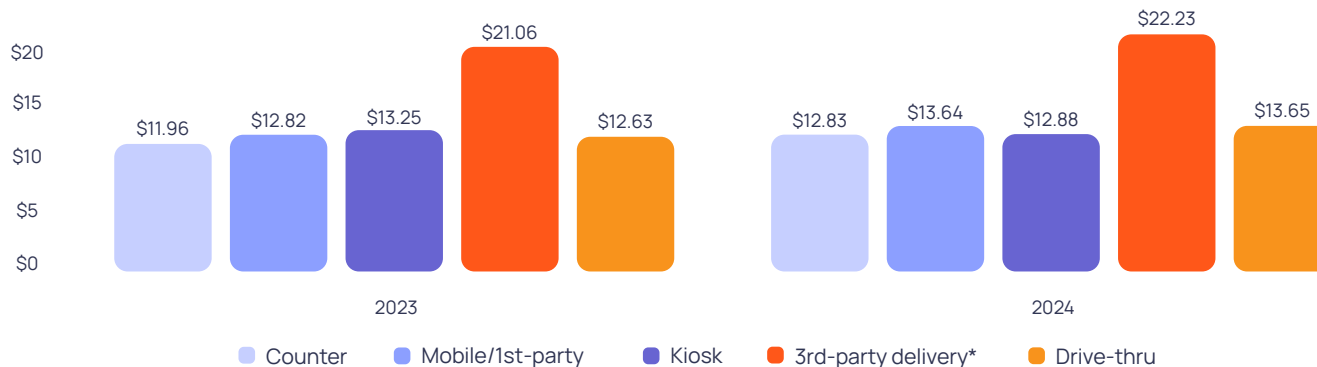
Transactions by channel



DELIVERY CHECKS REACH NEW HEIGHTS

Guest checks by channel

Guest checks by channel: YoY



*Data does not include delivery fees

Third-party delivery guest checks in 2024 were...

73% higher on average than counter checks

63% higher than mobile/1st-party

73% higher than kiosk

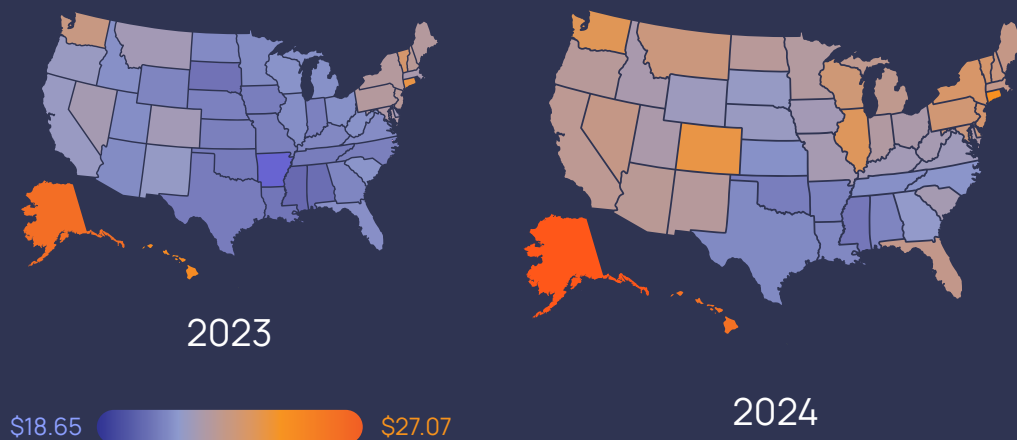
63% higher than drive-thru

Digital upselling widens check disparity since 2021

While all average check sizes have risen since 2021, 3rd-party delivery and drive-thru saw dramatic increases (19% and 17%). Kiosk and mobile/1st-party had more moderate growth (9% and 8%), still far outpacing counter checks (5%).

We attribute this to a higher likelihood of upselling a customer on digital platforms as opposed to at the counter.

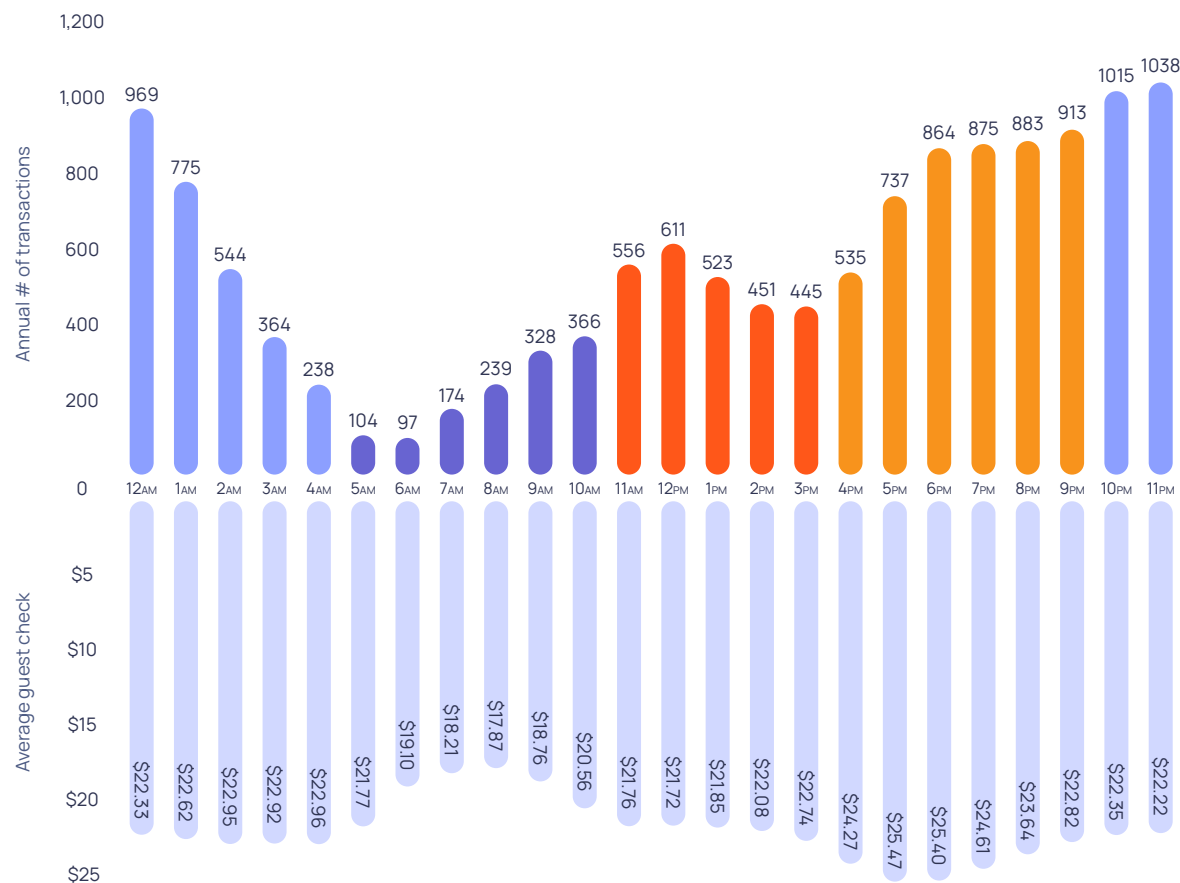
Third-party delivery guest check average



DAYPART DELIVERY DOLLARS

Guest checks and delivery transactions by daypart

2024 3rd-party delivery average guest checks and annual transactions by daypart



Daypart	Avg. 2024 delivery transactions/day	Avg. 2024 3rd-party delivery guest check
Breakfast	3.6	\$19.38
Lunch	7.1	\$22.03
Dinner	13.2	\$24.37
Late Night	13.5	\$22.62

Delivery: It's what's for dinner (and late night)

Restaurants see more action from the dinner and late night rush than any other daypart, with both timeframes outperforming breakfast and lunch in total transactions and the guest check amount.

TIP

Train dinner and late-night staff to efficiently service carriers and double-check orders (especially beverages), especially between 5 p.m. and 1 a.m.

Calculating and reducing delivery loss

2.8% of delivery sales are cancels and adjustments

QUICK MATH

How to calculate delivery losses

$$\frac{\text{AUV}}{\text{Delivery sales (\%)}} \times 0.028 = \text{Delivery losses}$$

Let's say your average store's AUV is \$2M, and 10% of your sales are through delivery. With 2.8% of delivery sales being cancels and adjustments, you could be losing \$5600K/store annually. If you own 50 stores, that's \$280,000 a year in losses!

Visit delaget.com/recovery to get a custom ROI to learn how much you could be recovering using Recovery.

Delivery health: A self-evaluation

- ☐ Are you recovering delivery losses?

If no, great—That's low-hanging fruit to help you improve your delivery margins, ASAP. If yes, ask yourself: Are you recovering as much as possible by leveraging technology to do so effectively and efficiently?
- ☐ Are you using delivery data to reduce delivery losses over time?

Use the data to find trends and drive operational changes—At what time of the day are losses occurring? Are there certain items that are frequently missing or inaccurate?

Your overall delivery health is key to success in the delivery channel: Dispute your losses to reclaim your money, ensure visibility into what's happening in these channels, and continually work to improve based on these data points to minimize overall losses over time. You've got this!

03

costs, employees,
and wages

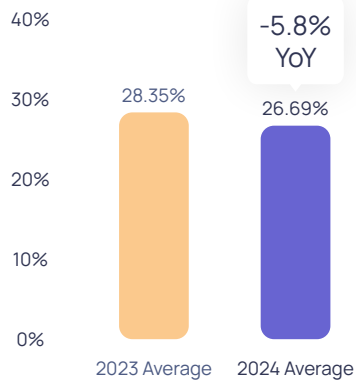
FROM PENNIES TO PATTIES

Labor + food costs

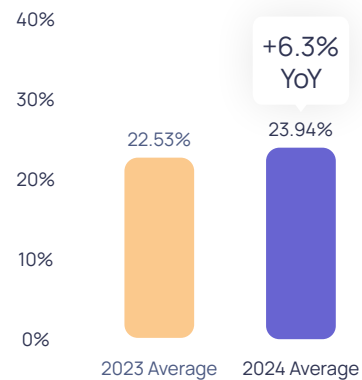
Higher prices likely offset increasing costs

In 2024, average food costs as a percentage of sales dropped while labor costs increased. The QSR industry seems to have a better handle on its food expenses than labor costs, which are growing at a rate of about double when compared to the national average.

Food cost % of sales



Labor cost % of sales



Costs

States with top labor cost increase



Georgia

28% increase in Labor Cost (%)



Hawaii

11% increase in Labor Cost (%)



Wisconsin

7% increase in Labor Cost (%)



Alabama

7% increase in Labor Cost (%)



Alaska

7% increase in Labor Cost (%)

Labor costs climbing

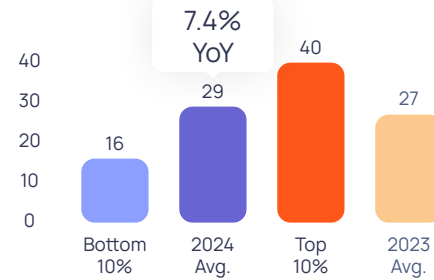
PAR OPS' data revealed a 6.3% increase in labor costs, almost double the average US labor costs' rise YoY of 3.7% (Bureau of Labor Statistics).

Employees: turnover, overtime + wages

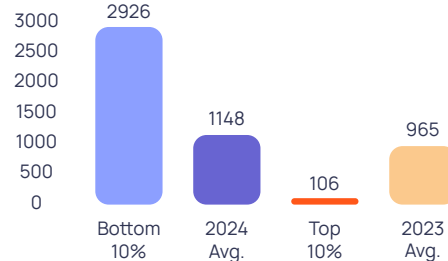
Turnover rate down YoY

Turnover rates are down from an average of 139% in 2023 to an average of 122% in 2024. This further encourages offering benefits such as earned wage access (**EWA**), which encourage retention.

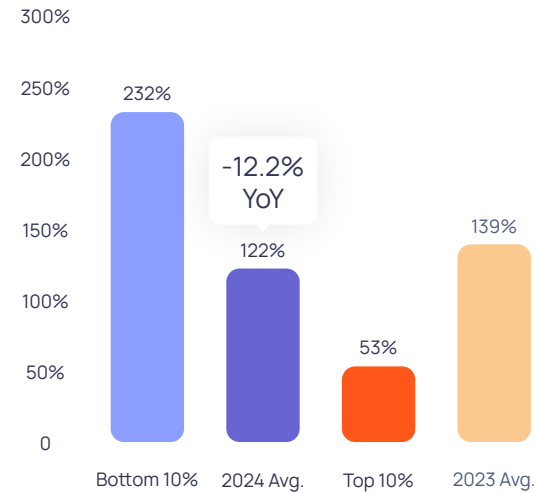
of employees



Overtime hours per store



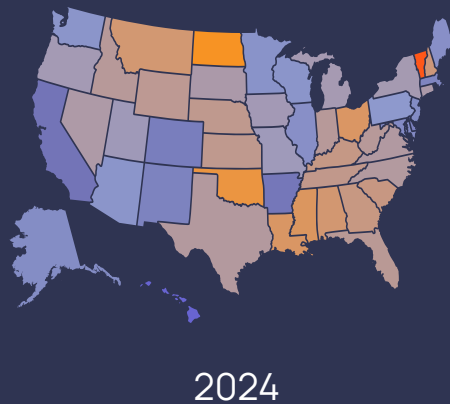
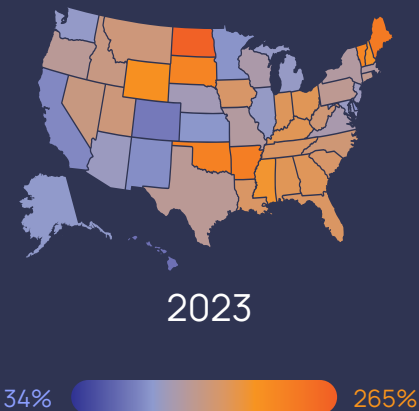
Turnover rate



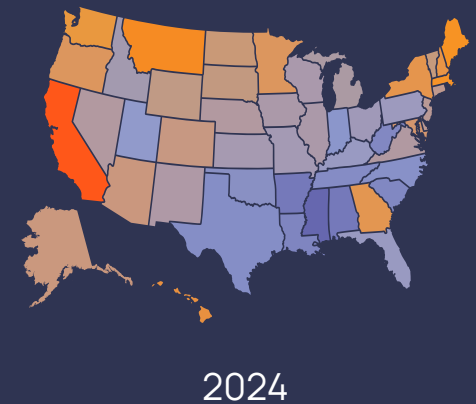
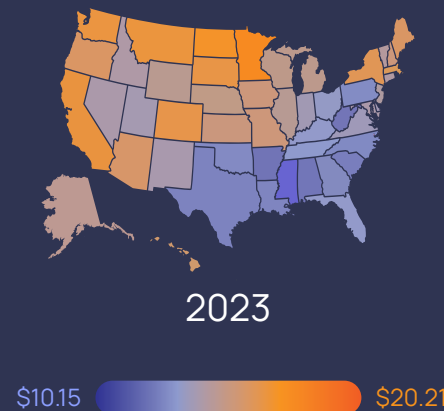
TIP

Well-run stores have significantly more employees, less overtime, and a low turnover rate. The likely influencer is best-in-class **labor scheduling** technology.

Turnover by state



Average wage by state



104 loss

EATING AWAY AT EARNINGS

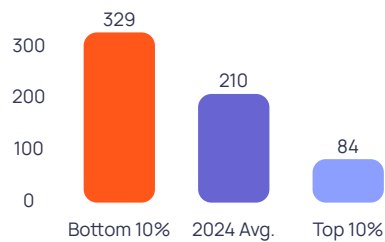
Key loss indicator metrics

Prioritize loss prevention in 2025

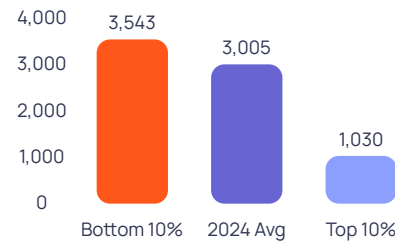
Labor costs are on the rise, and loss is the greatest – and easiest – place to start when looking to improve those margins.

Cash shortages will likely continue to decrease as more QSRs become credit/debit only and/or consumers prefer credit transactions.

Refunded POS transactions



Cancelled POS transactions



TIP

High rates of canceled transactions may indicate that employees turn off delivery or intentionally cancel online orders during busy times to focus on in-store customers. Consider increasing staff during these times and retraining employees.

2024 loss metrics

	Avg. refunded POS transactions (#)	Avg. refunded POS transactions (\$)	Avg. cancelled POS transactions (#)	Discount % of sales
Top 10%	84	\$1,175	1,030	1.08%
2024 average	210	\$5,093	3,005	2.78%
Bottom 10%	329	\$14,453	3,543	4.59%
2023 average	200	\$3,153	1,743	2.52%



LOYALTY SOLUTIONS

ORDERING

DELIVERY OPERATIONS & RECOVERY

FRONT OF HOUSE

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