



# Restaurant industry trends for 2025



# Restaurant trends



## Context

- **KPMG polled 50+ senior restaurant executives regarding the state of the industry**
- **Survey responses were scrubbed and aggregated to understand recent behavior and executives' priorities going into 2025**

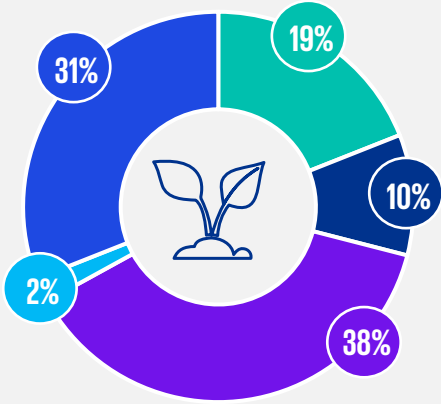
## Executive summary

The restaurant industry for 2025 is expected to see growth driven by new products and locations but concerns about inflationary fears and rising costs pose challenges for franchisees. Digital enablement, menu adjustments, and positive work culture are key areas of focus. Finance transformation, AI adoption, cybersecurity, and data privacy are also important considerations. The impact of the recent presidential election on economic policies and regulations is a concern for the industry.

- Growth drivers: new product launches and restaurant locations
- Concerns: threat of inflationary fears
- Challenges for franchisees: rising food and labor costs
- Focus on digital enablement: expanding digital capabilities, increasing customer conversion and stickiness
- Rise of third-party ordering and delivery partners
- Menu adjustments to reflect consumer trends
- Importance of positive work culture for retaining top talent
- Focus on finance transformation and adoption of AI
- Increased attention on cybersecurity and data privacy
- Concerns about the impact of the recent presidential election on economic policies and regulations

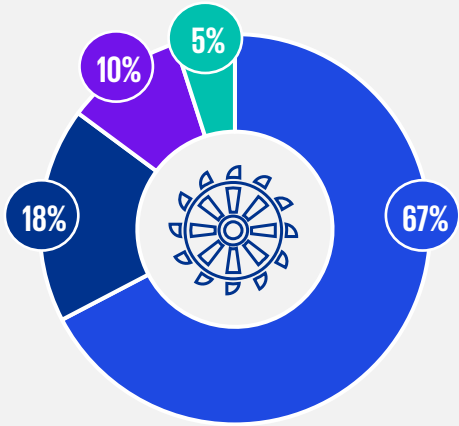
# New product launches and restaurant development are top growth drivers while inflationary fears continues to rise

What do you believe will be the greatest growth driver over the next 12-18 months?



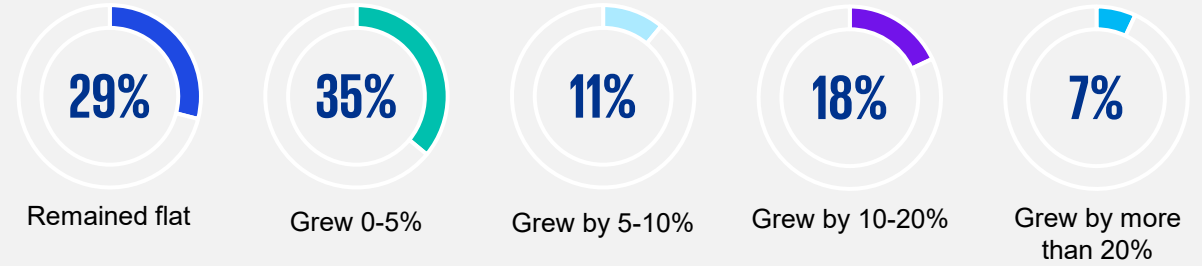
- M&A activity, divestitures, or joint ventures
- Business model transformation
- New product launches/innovation
- Geographic expansion
- Marketing, promotion, and discounts

Which of the following will continue to be a headwind to your company's growth over the next 12-18 months?

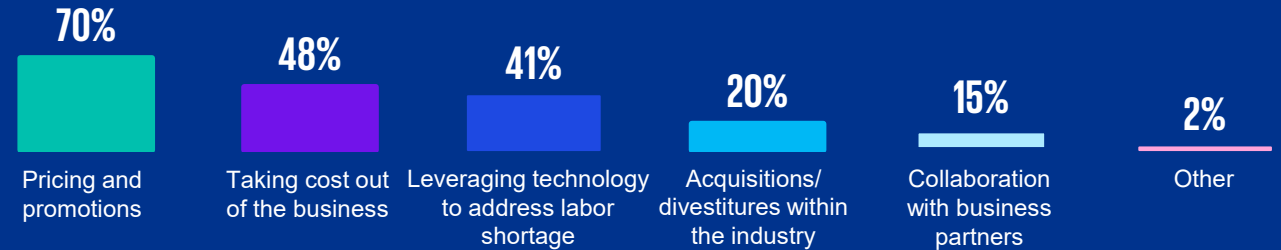


- Strength of consumer/inflationary fears
- Inflationary pressures on margins
- Talent, labor supply, and wage pressures
- Geographic expansion

How would you describe your restaurant count growth in 2024?



What tactics are you employing to achieve revenue growth without impacting margins? (select all that apply)

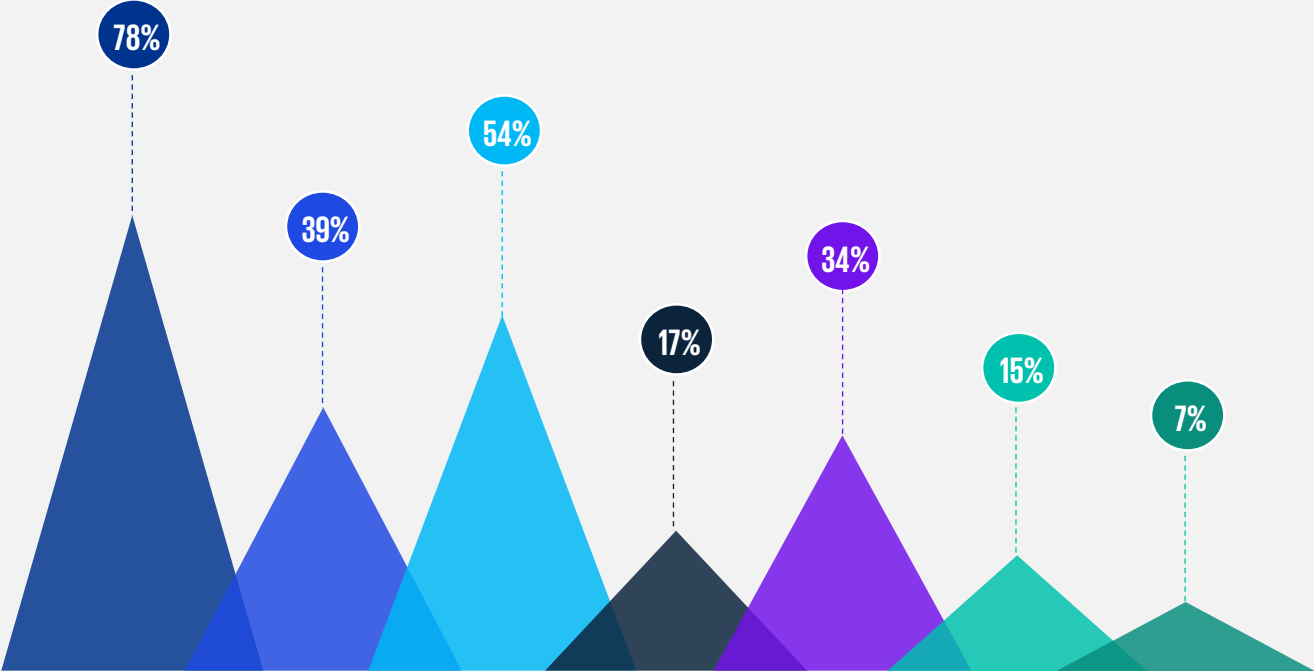


What area below aligns with your highest priority financial investments?



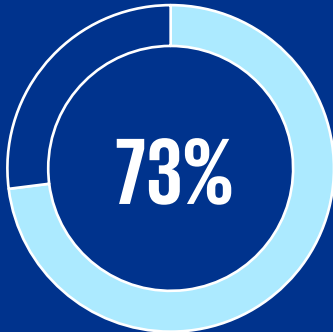
# Franchisees concerned with driving sales while rising foods and labor costs is still a concern

What concerns are most common from franchisees currently? *(select all that apply)*

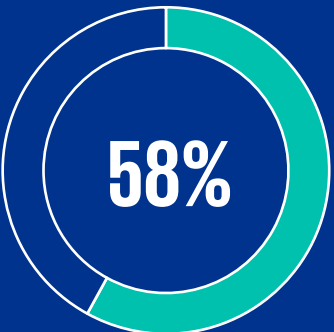


- Driving top-line sales
- Maintaining labor force
- Reducing costs
- Expanding sales via digital expansion
- Access to capital for new development
- Access to data & analytics, or other insights
- Other

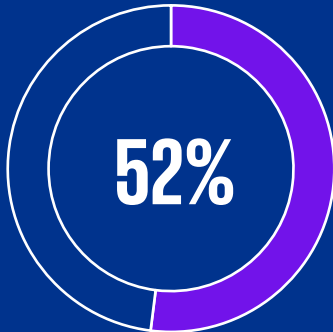
What are the biggest financial challenges your restaurants face currently? *(select all that apply)*



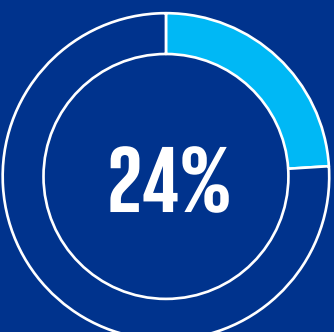
Labor costs



Rising food costs



Declining customer demand

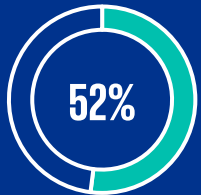


Rent and overhead expenses

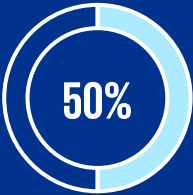


# Executives are focused on expanding digital capabilities

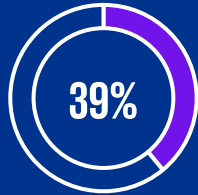
What are you doing around digital enablement within your restaurants? *(select all that apply)*



Expanding digital order options



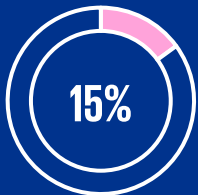
Investing in POS technology



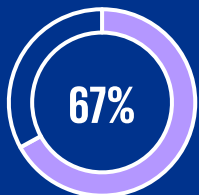
Increasing third party delivery services



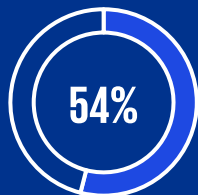
Increasing third party reservation management services



Investing in owned solutions



Expanding loyalty and membership capabilities



Integrating new digital interface tools

What non-traditional payment solutions are utilized by your restaurants? *(select all that apply)*

86%

Tap to pay

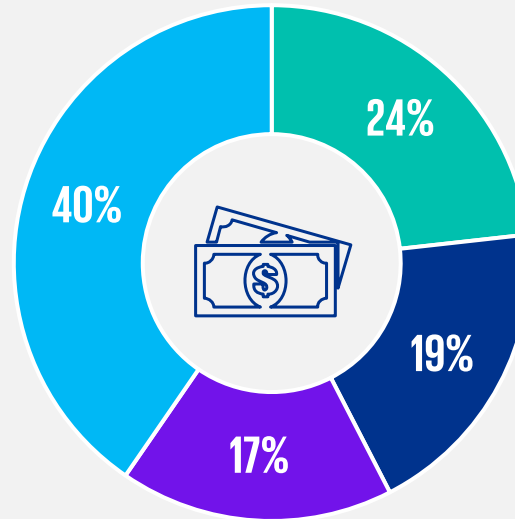
74%

Apple/Google/Samsung pay

26%

QR codes

Have you previously or are you considering upgrading your restaurant's payment solutions platform?



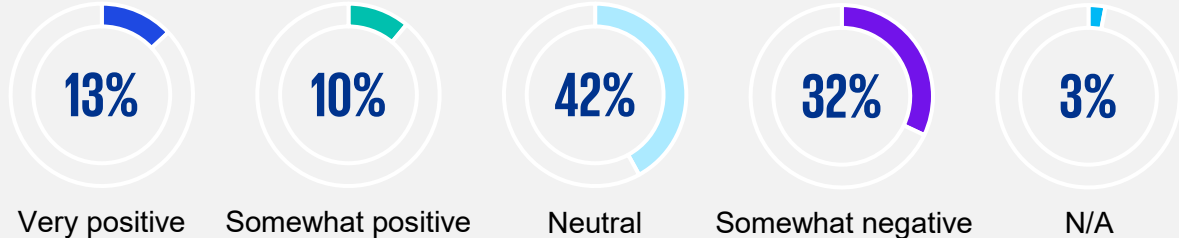
- Previously completed upgrade/transformation
- Planning to complete upgrade/transformation
- In process of completing upgrade/transformation
- Haven't or not planning to upgrade or update

# Restaurants are expanding the number of third-party ordering and delivery partners; DoorDash and UberEats at the helm

What third party ordering and delivery service partners does your company currently work with? *(select all that apply)*

Over **80%** of respondents use **DoorDash** and **UberEats**, with over **50%** using **GrubHub** and approximately **25%** using **Postmates**

How has your experience been utilizing third-party ordering and delivery service partners over the past 12 months?



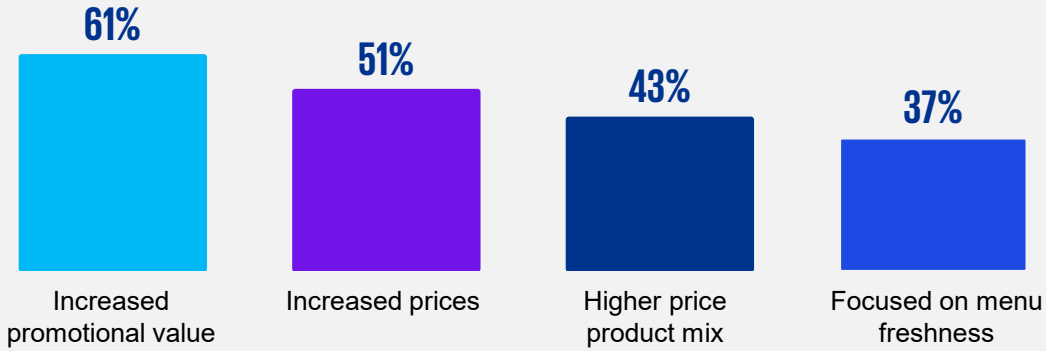
Have you considered changing or recently changed third-party ordering and delivery partners in the past 12 months?





# A focus on increased promotional value and targeted marketing is present as dine-in foot traffic declines

How have your menu offerings changed this year from last year to reflect consumer trends? *(Select all that apply)*

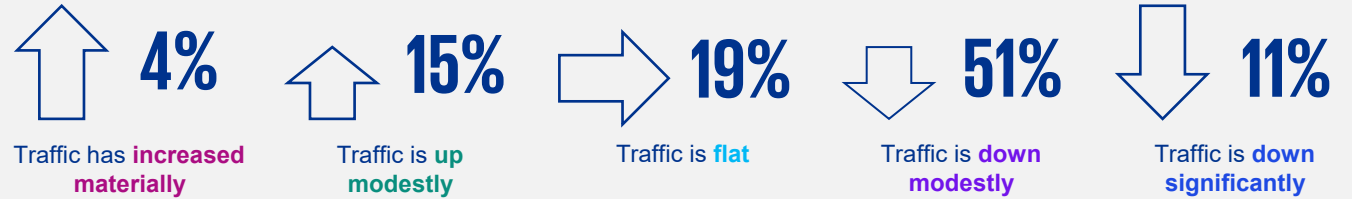


What do you see as the most significant benefit of your menu transformation, rationalization, etc.?

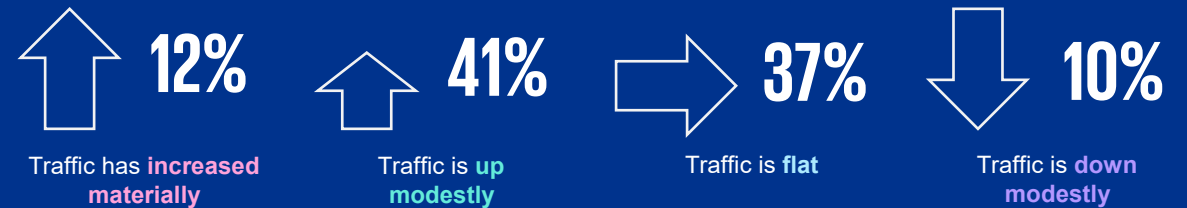
Around **50%** of respondents considered perceived value (more or less) as the biggest benefit, with...

**40%** of respondents identifying preparation efficiency and personalized experience (customer satisfaction / overall experience).

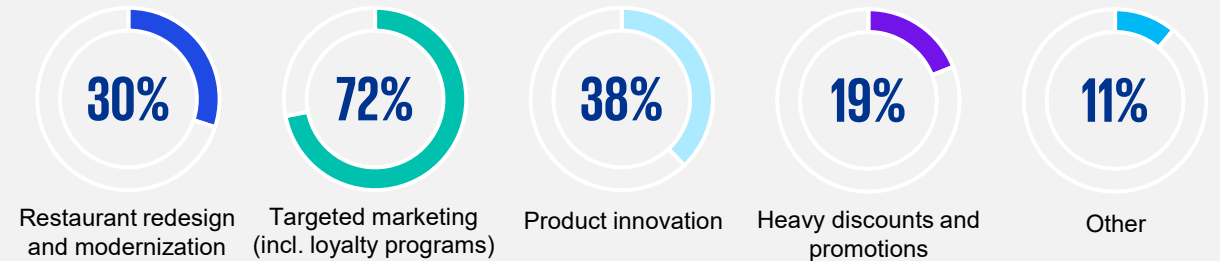
What has been your experience over the last 12 months specifically as it relates to "dine-in" foot traffic? (i.e. excluding online and to-go/carryout)



What has been your experience over the last 12 months specifically as it relates to "off-premise" foot traffic? (e.g. online, drive through, delivery or "to-go")



How are you increasing customer conversion and stickiness? *(Select all that apply)*

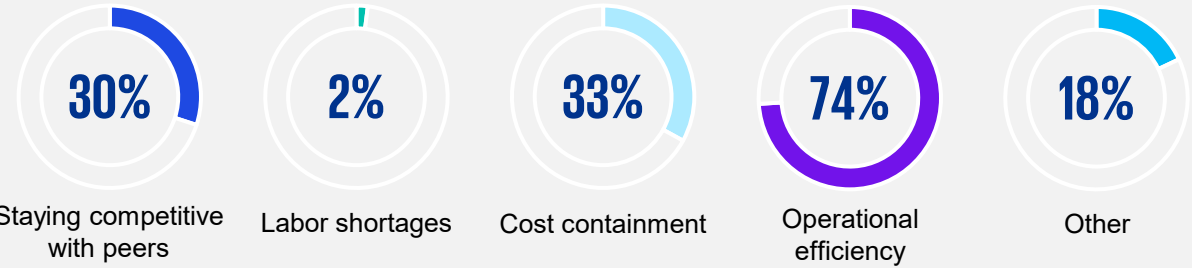


# Restaurants are transforming their businesses and focused on operational efficiency

What back-office areas are you actively transforming to meet evolving business needs? *(select all that apply)*



What factors have influenced your company's decision to embark on a finance transformation journey? *(select all that apply)*



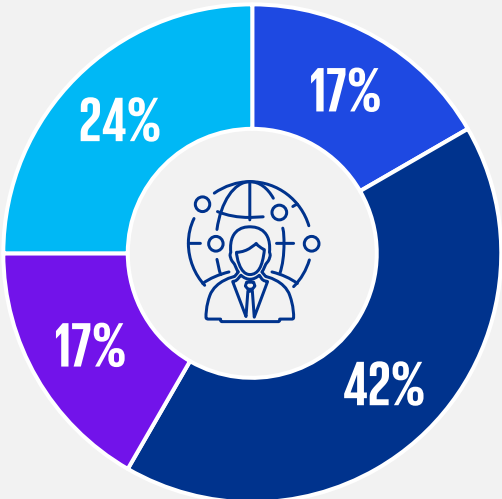
How far along is your company in its finance transformation journey?





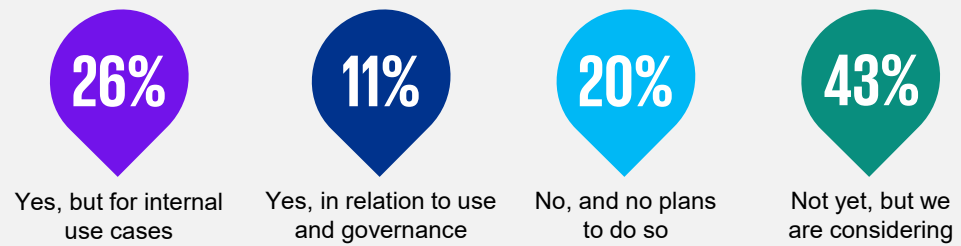
# Automation is on the rise however most companies are still developing a strategy for AI adoption

## Where are you on your AI journey?

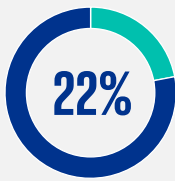


- We are not actively exploring potential use cases
- We are still exploring opportunities
- We have identified opportunities but haven't allocated resources
- We are piloting use cases and implementing AI

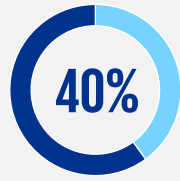
## Have you engaged a 3rd party for the specific purpose of helping increase the use of AI across the company?



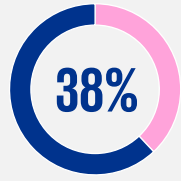
## Does your finance and accounting department have access to an enterprise-secured instance of a large language model (i.e. GenAI chatbot from Google, Microsoft, etc)?



Yes

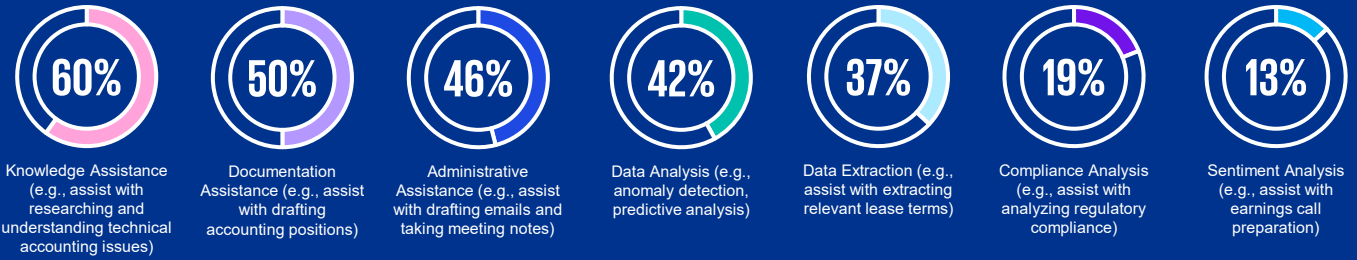


No, but some departments have access

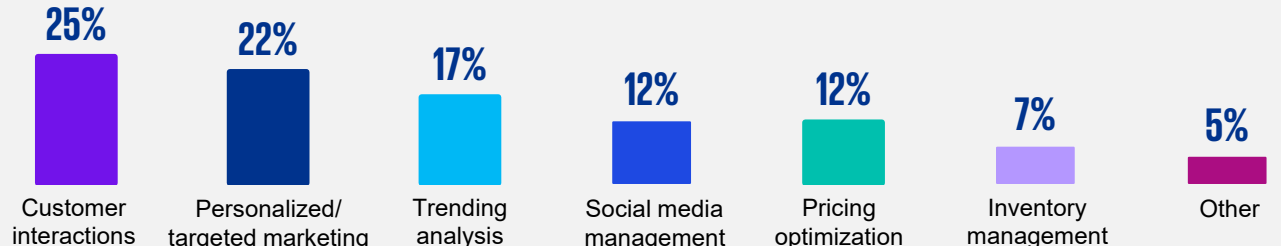


No, no one in the organization has access

## What finance and accounting applications of GenAI do you find most compelling? (select up to 3)

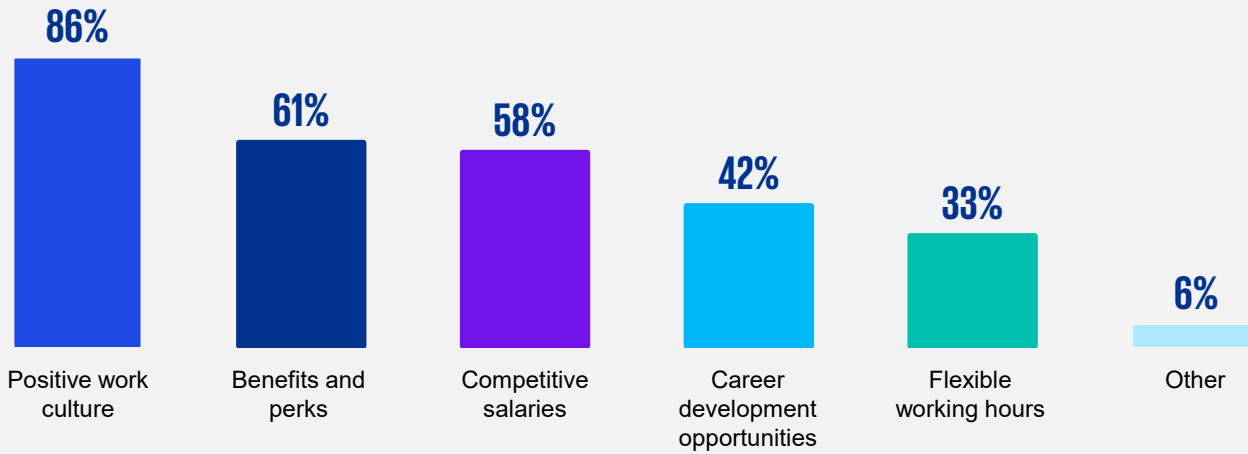


## Where else is your company using or considering the use of GenAI (which may support further use cases for finance)?

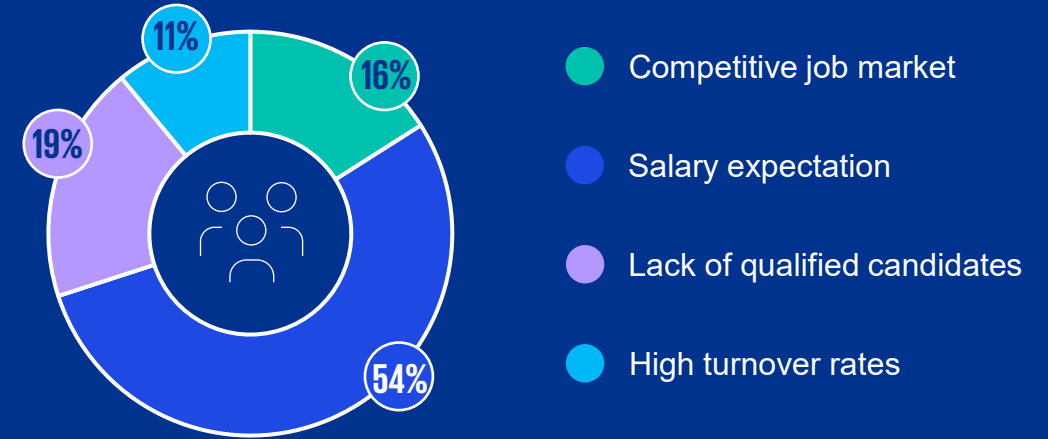


# A positive work culture is paramount to retaining talent in both the restaurants and the corporate function

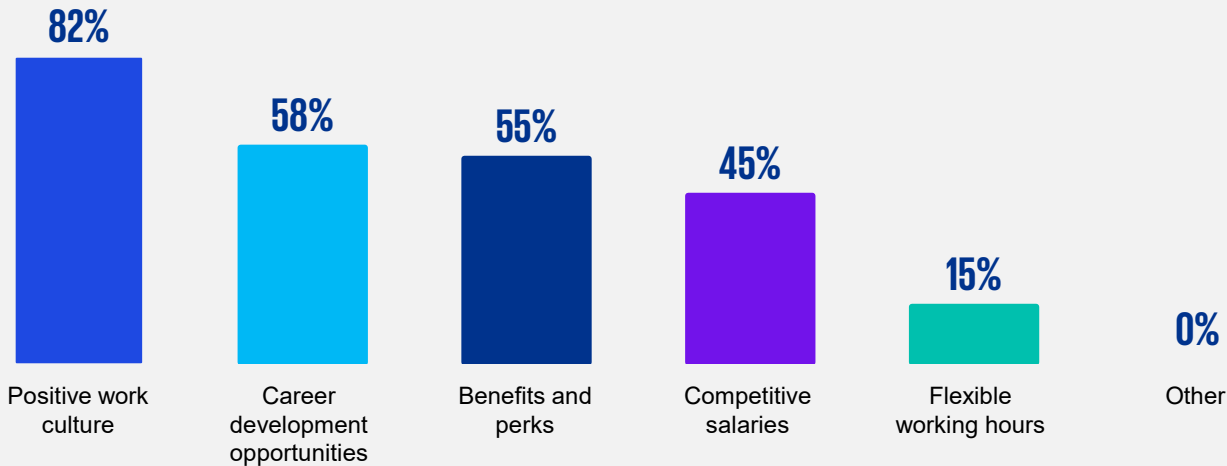
What strategies do you use to retain top talent in your corporate function? *(select all that apply)*



What is the biggest challenge you face in attracting new talent?



What strategies do you use to retain top talent in your restaurants? *(select all that apply)*

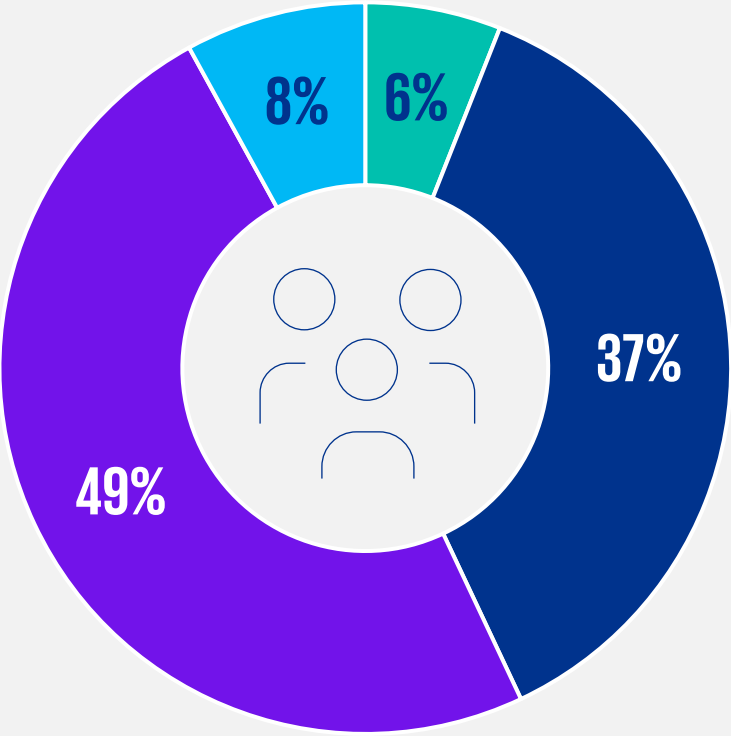


Which of the following best describes how labor trends are impacting your business over the last three months?



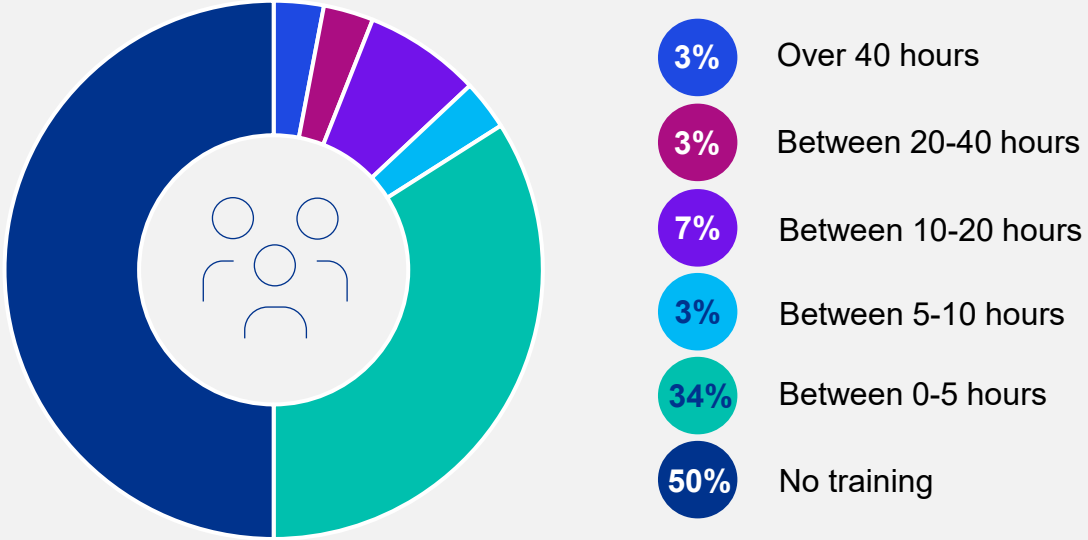
# Low levels of training show there is significant potential for growth in the adoption and implementation of AI

How educated on technology and finance transformation are the employees in your accounting and finance functions?

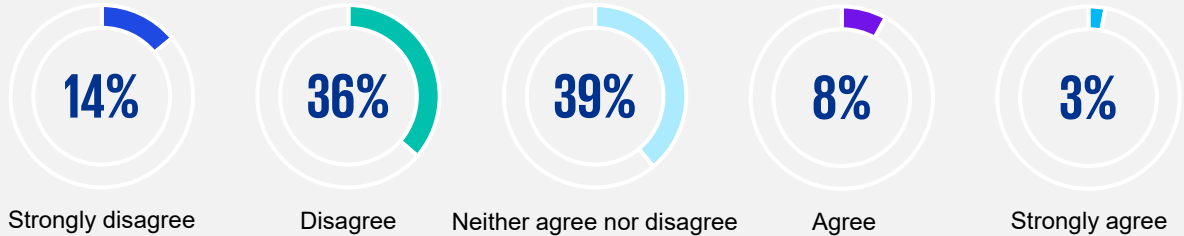


- Highly educated and experience
- Experienced and somewhat educated
- Some or minimal exposure
- Not experienced

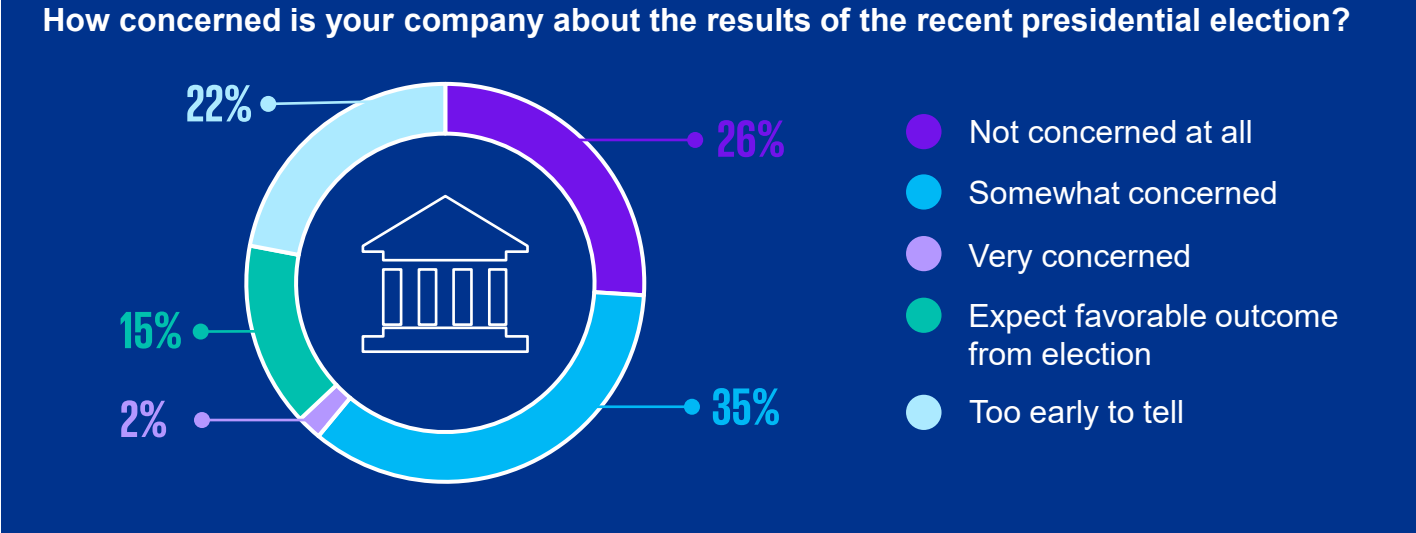
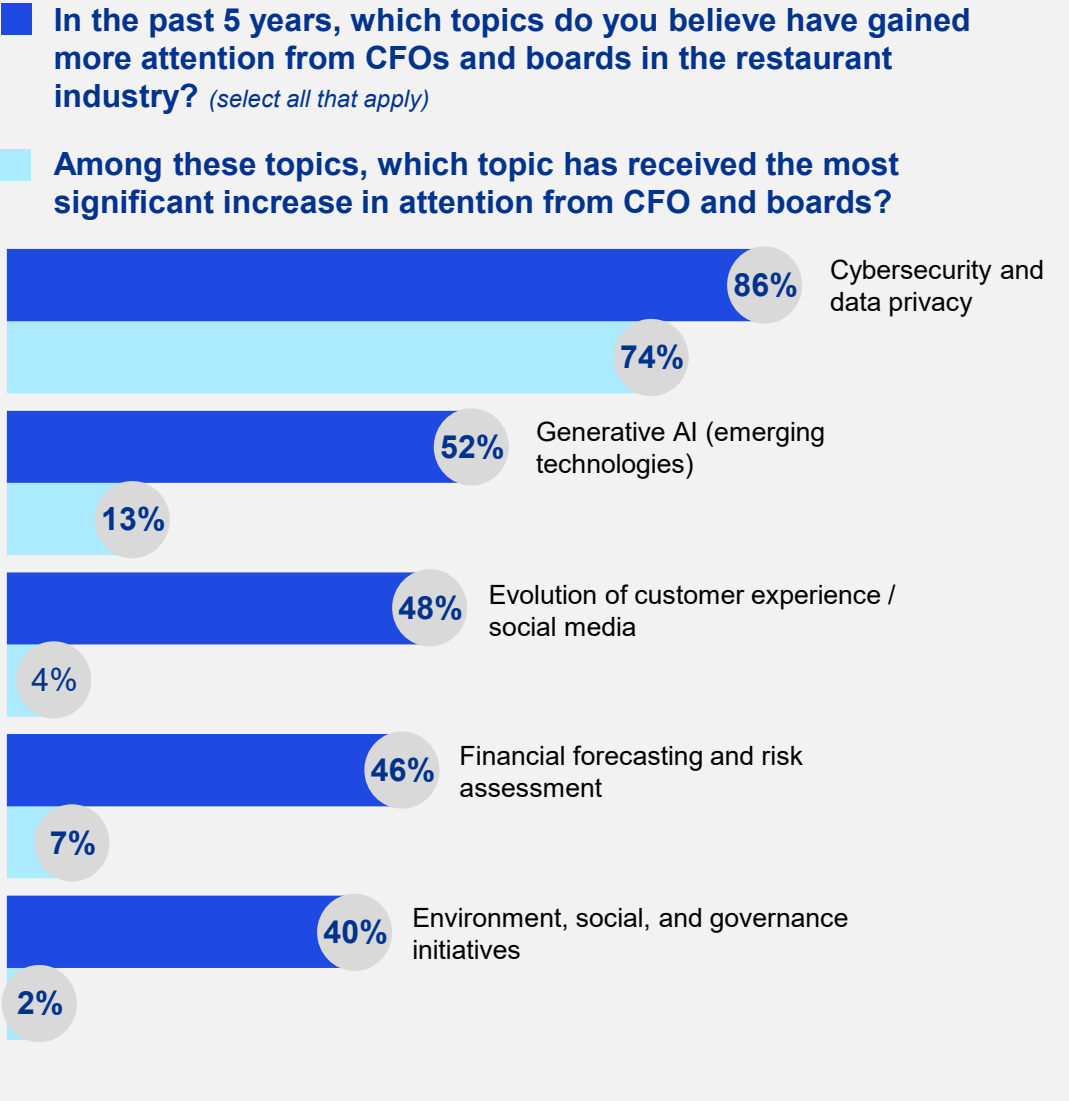
How much GenAI training has the average finance and accounting employee at your organization received in the past 12 months?



To what extent do you agree with the following statement. *Our accounting and finance employees are sufficiently knowledgeable in the use of technology/artificial intelligence tools to fulfill the demands of their current position.*



# Cybersecurity is top of mind for Executives; Eyes may shift to tax policies and incentives in the aftermath of the presidential election



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