7th Annual Industry Report

The Year of Serving Smarter

2026 STATE OF DIGITAL & BEYOND

THE RESTAURANT TECHNOLOGY BENCHMARK

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The Year of Serving Smarter

Guest experience is driving technology investment, but fragmented systems and operational gaps are holding brands back as digital scale exposes instability across POS, delivery, and core operations. As AI and digital mature, the focus has shifted from adoption to efficiency—prioritizing integration, smarter commerce, and margin-driven growth in an increasingly pressured economic environment.

FORWARD

The insights in this year's report offer a thoughtful roadmap for operators navigating this moment. As technology evolves, the heart of hospitality remains exactly the same: creating experiences that make guests feel seen, welcomed, and eager to return. The brands that will thrive in this next chapter are the ones that treat technology not as a collection of features, but as a foundation for hospitality and operational excellence.

That means consolidating fragmented systems, unifying guest data, strengthening kitchen execution, and applying emerging tools like AI with discipline and purpose. The challenge now is to build systems that work reliably at scale and strengthen the hospitality connection between restaurants and their guests.

DANNY MEYER
FOUNDER AND EXECUTIVE CHAIRMAN, UNION SQUARE HOSPITALITY GROUP
FOUNDER, SHAKE SHACK
FOUNDER, HOSPITALITY QUOTIENT

TOP 6

Trends in 2026

01 Macro-Economic Pressure is Driving a Shift Toward Smarter Commerce

02 Tech Spend is Increasing Despite Margin Pressures

03 AI Moves from "If" to "Where" but Value Lags

04 Guest Experience Leads Spend, Fragmentation Limits Impact

05 Digital Scale Exposes Operational Vulnerabilities

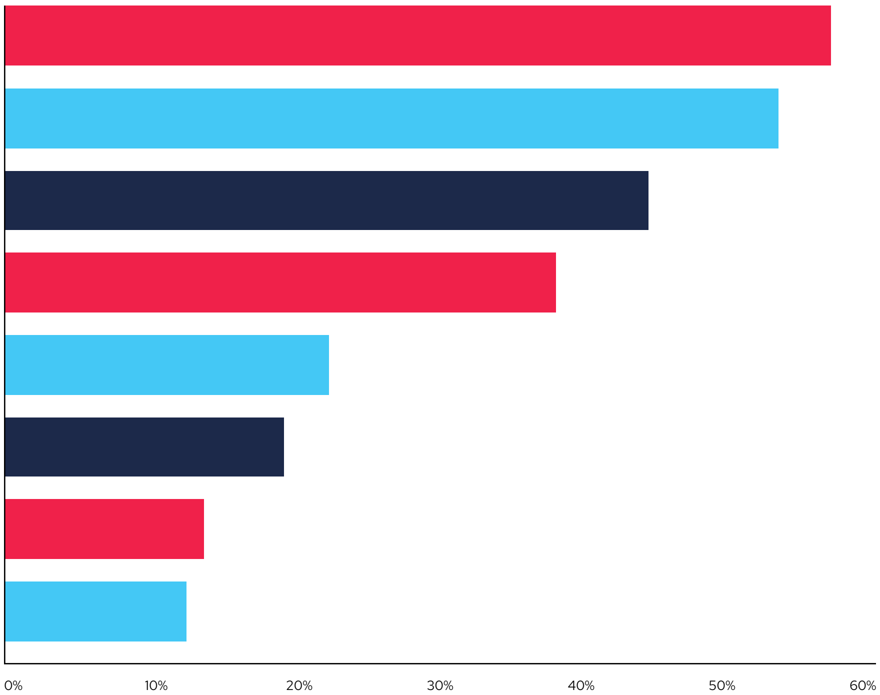
06 Digital Sales Grow; QSR Momentum Accelerates

01

Macro-Economic Pressure is Driving a Shift Toward Smarter Commerce

From growth-at-all-costs to efficient, margin-focused strategies; driven by declining traffic and rising costs. Solutions focus on value strategies, menu innovation, operational improvements and AI. Signals a renewed emphasis on demand stimulation and menu-led traffic growth.

Macro-economic conditions with greatest impact (2025)



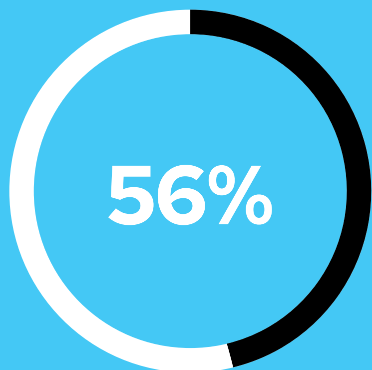
Loyalty and guest engagement ranked as the top revenue and margin driver in 2024, falling to #4 in 2025, as promotions/ discounts and new menu items/ LTOs surged to #1 and #2 (up from #6 and #9), signaling a renewed emphasis on demand stimulation and menu-led traffic growth.

How Brands are Responding

Promotions and discounts, along with new menu items and limited-time offers (LTOs), emerged as the most effective strategies for improving both revenue and margins. This highlights operators' continued reliance on demand stimulation and menu innovation to drive traffic.

Fast Casual

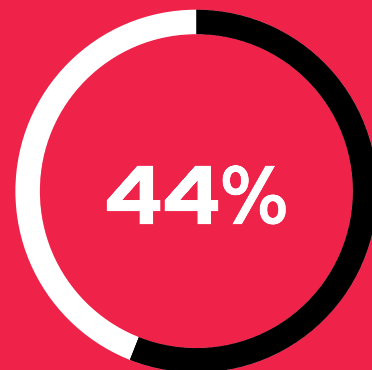
Cost-related pressures remain widespread, as food / commodity inflation and labor costs continue to weigh heavily on operators.



of fast casuals impacted by inflation

Quick Service Restaurants

Rising consumer price sensitivity is creating increased tension between margin protection and value expectations



QSRs report heightened pressure around value perception and discounting expectations.

Most effective strategies for improving revenue & margins

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01 Promotions / discounts

02 New menu items or LTOs

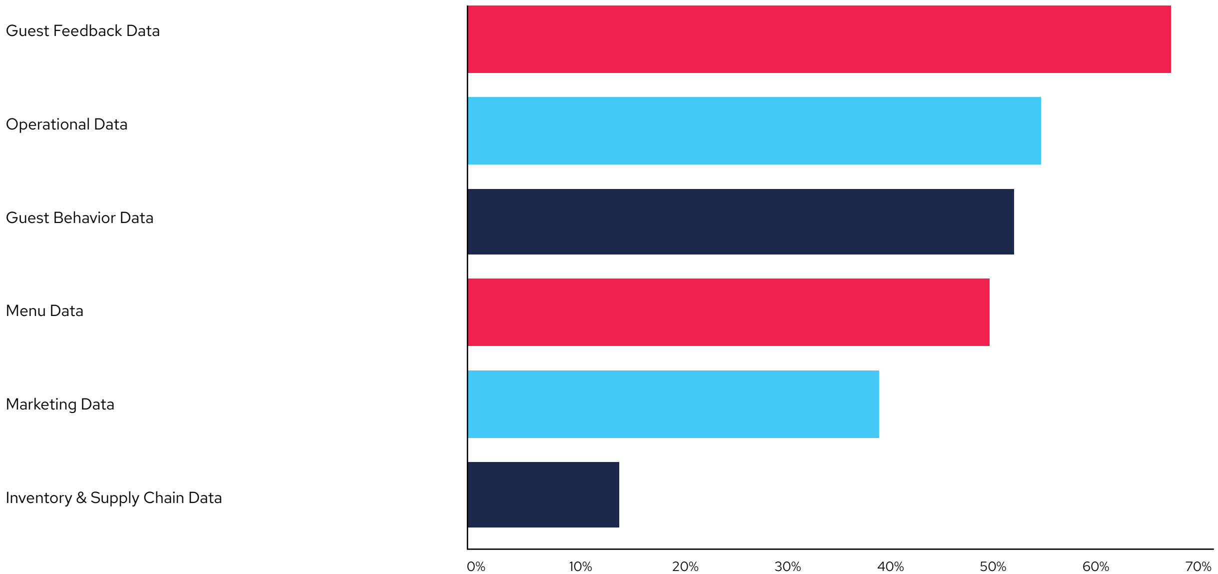
03 Marketing campaigns

04 Loyalty or rewards programs

05 Operational improvements that reduce cost or improve throughout

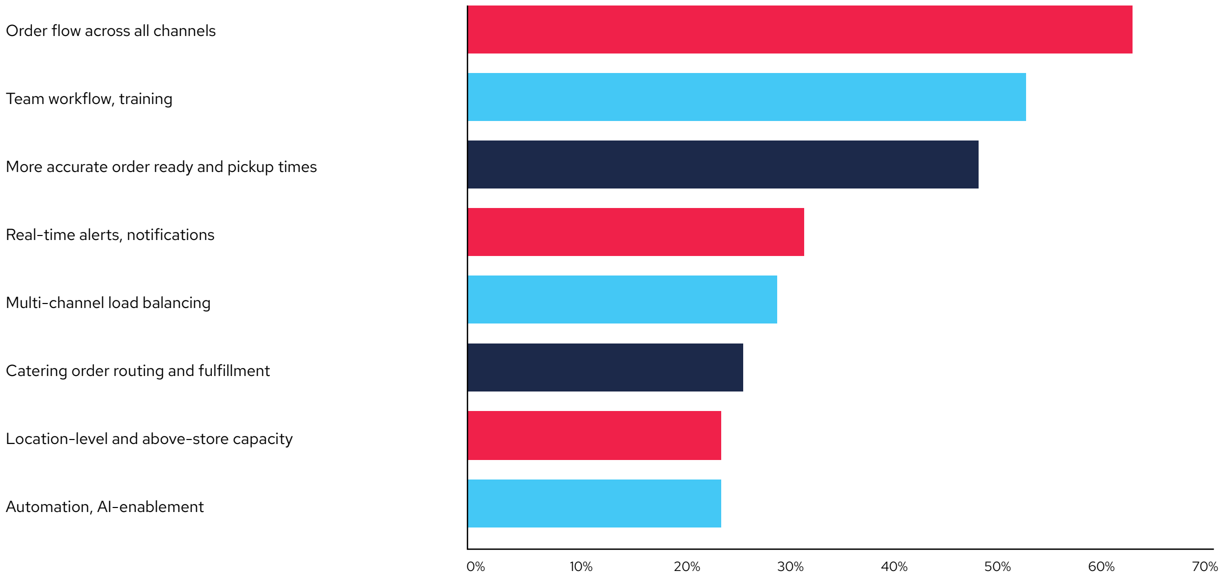
06 Upselling or bundled meal offers

Types of data for best business decisions



Unified, actionable data is still the foundation: guest feedback, operational, guest behavior, and menu data dominate what leaders say drives the best decisions. FC leans more into guest behavior and menu signals; while QSR leans more into operational data, consistent with speed/throughput sensitivity.

Kitchen operations that brands plan to improve in 2026



Discounting and innovation can drive traffic — but they also strain operations. As complexity increases, performance becomes a kitchen problem.

In fact, 62% of brands say improving order flow across all channels is their top priority for 2026, followed by team workflow (52%) and more accurate ready and pickup times (48%).

Top 3 barriers to a better guest experience across channels

Delivering a consistent guest experience is constrained by both operational execution and system fragmentation across the industry. (+labor)

55%

Operational Execution

37%

Fragmented Systems

29%

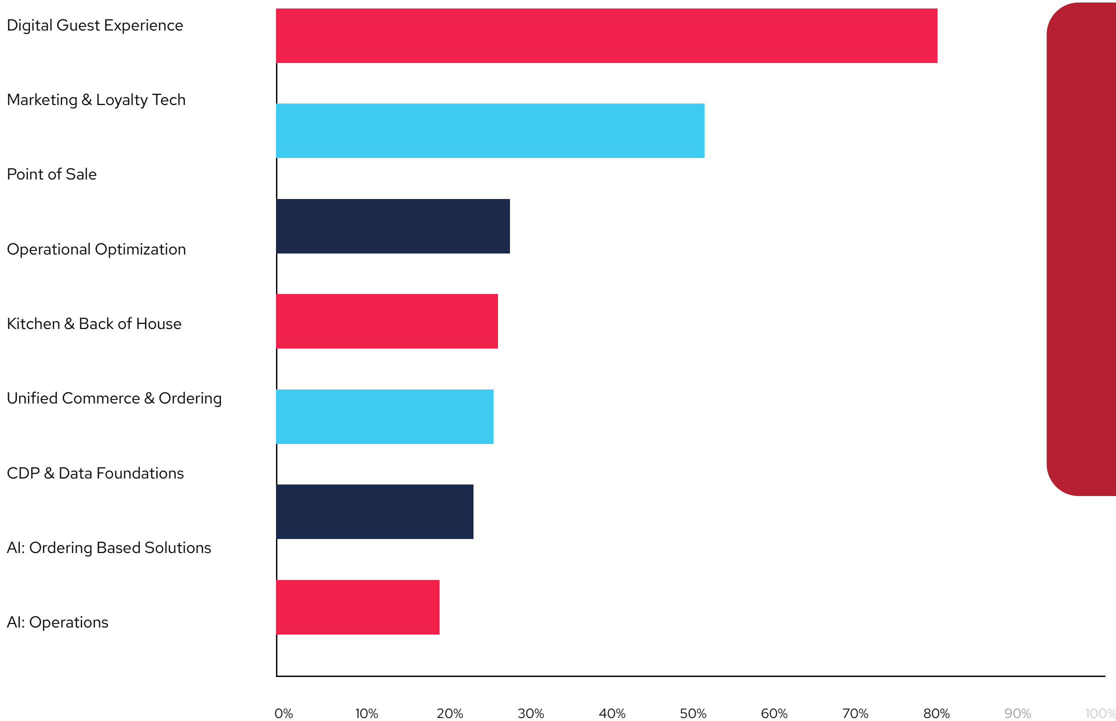
Labor Turnover and Staff Retention

QSR vs Fast Casual Comparison

While FC operators feel the greatest strain from operational challenges (60%), QSRs more often cite fragmented systems and disparate data (44%), reinforcing the need for aligned operational and technology strategies.

Tools Leveraged for Guest Insight

Loyalty remains the primary system of record for guest understanding (80% 2025 vs 77% 2024); reputation management also plays a major role.



48% of Enterprise vs 11% of Mid-Market

* 48% of Enterprise vs 11% of Mid-Market use CDPs to understand guests

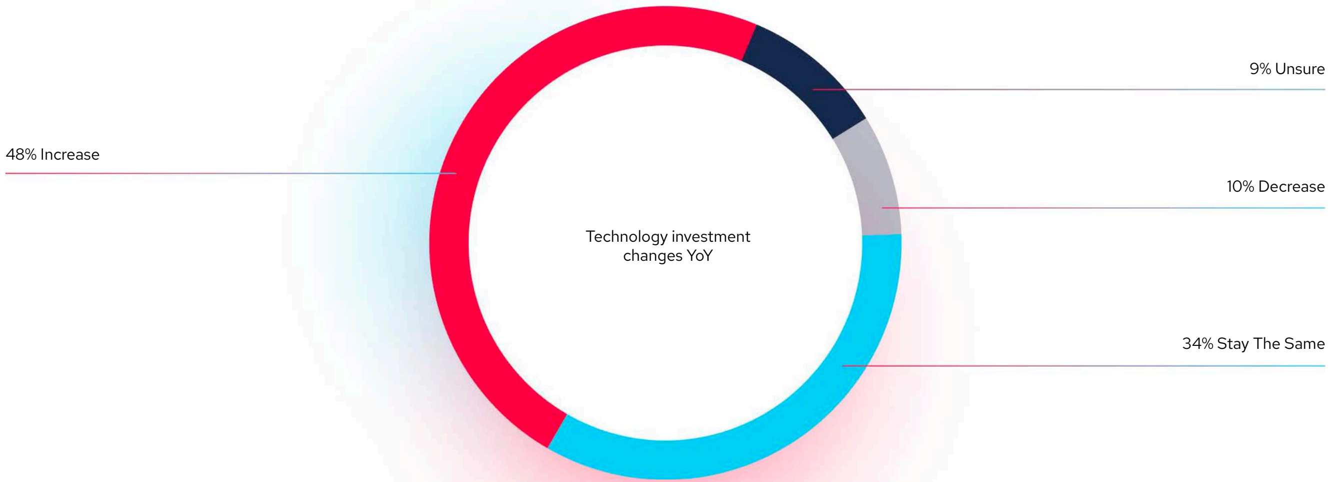
Enterprise is building more durable personalization infrastructure, while Mid-Market is more likely to rely on lighter-weight tools and workflows.

02

Tech Spend is Increasing Despite Margin Pressures

Digital focus has shifted from adoption to optimization, integration, profitability and efficiency.

Almost half of all brands expect their tech investments to increase in 2026.



Investment momentum is notably stronger among QSR brands, with (54%) planning to increase spend on new technology in 2026, compared to (44%) of Fast Casual restaurants.

This gap suggests QSR operators are accelerating digital and operational investments to remain competitive in a high volume, efficiency driven environment.

03

AI Moves from "If" to "Where" but Value Lags

AI investment has crossed the tipping point, with 73% of brands investing now or next year. Outcomes are early but emerging. with only 9% noting "Meaning & Measurable Impact" and 33% reporting "Emerging Value."

73% of brands are investing in AI.

AI has moved into active investment:

51% investing today, and another 22% plan to begin in 2026, meaning the majority are "now or next year", but it's still early in turning investment into scaled outcomes.

How would you define the value you're receiving from AI implementations?

AI story is largely about proof-of-concept scaling, with a large "Emerging Value" middle (32%) holding promise for the future.

43%

43% Report limited value

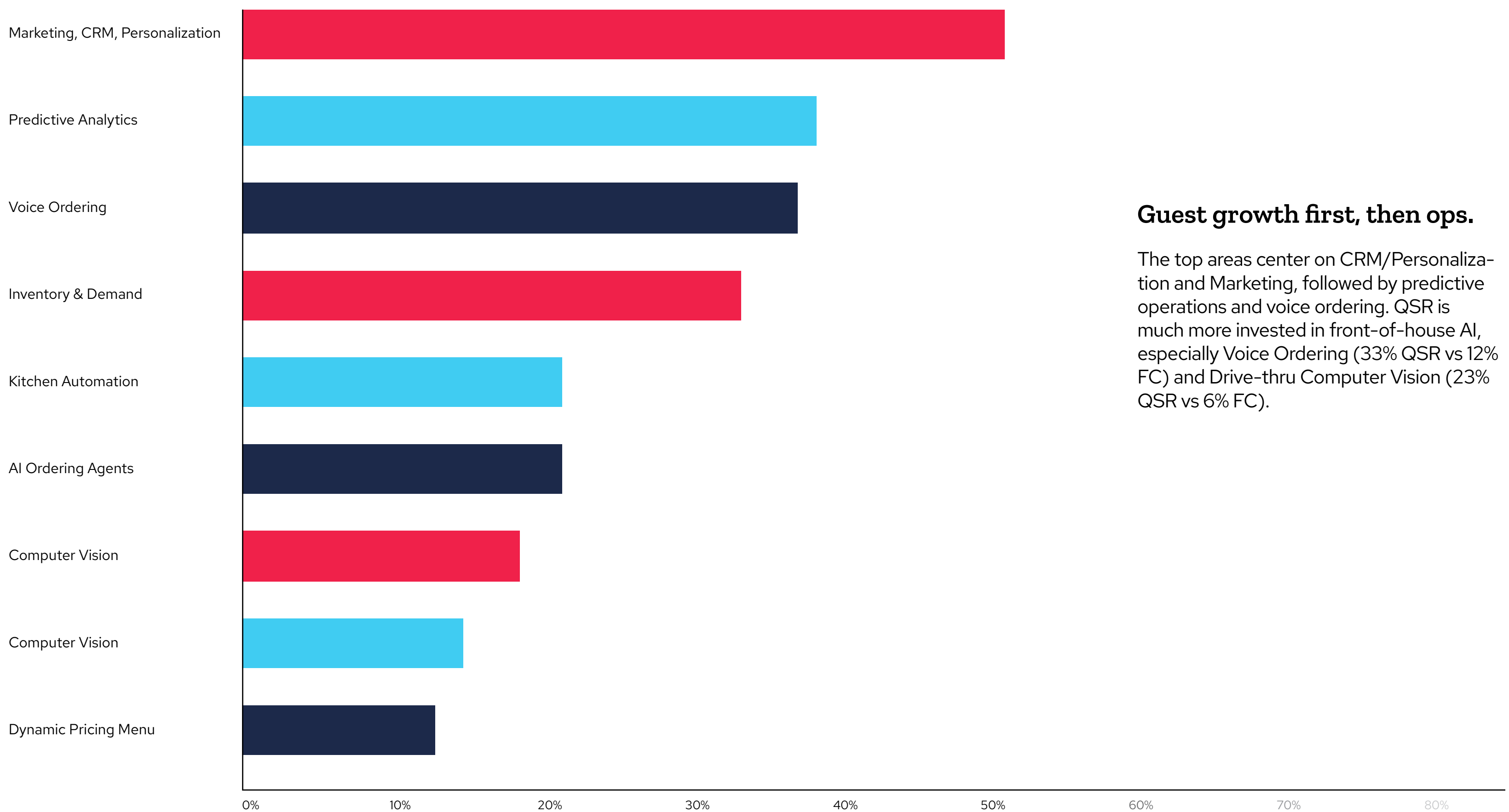
33%

33% Report emerging value.

09%

9% Report meaningful / transformational impact

Where AI Spend is Going



Guest growth first, then ops.

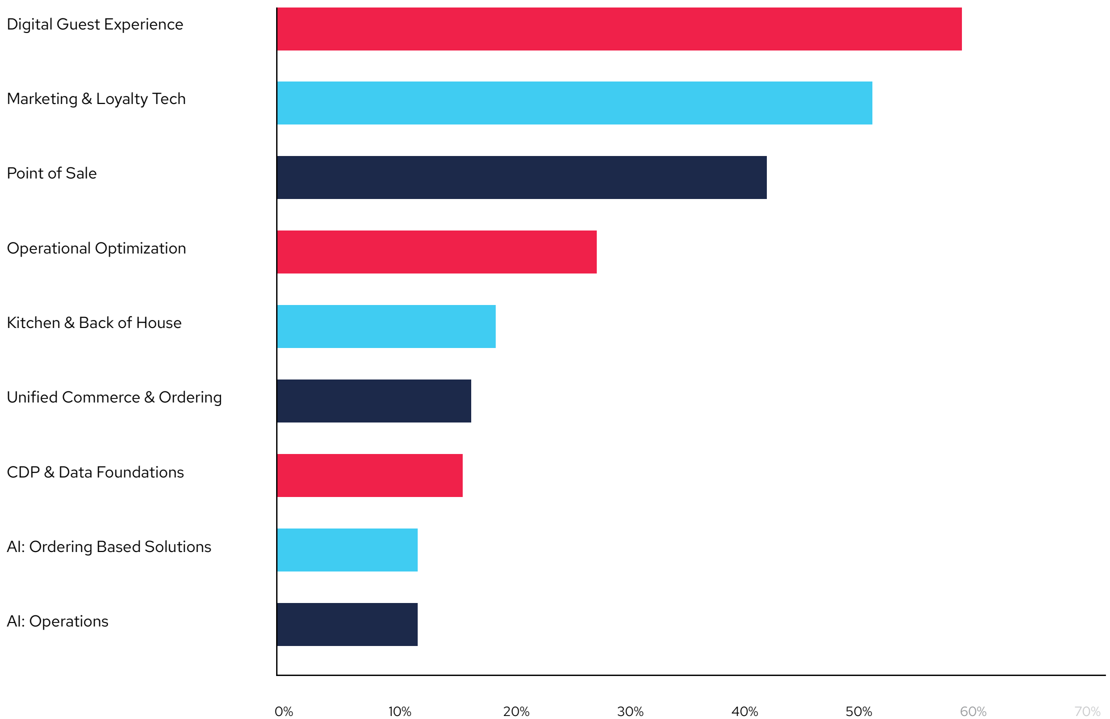
The top areas center on CRM/Personalization and Marketing, followed by predictive operations and voice ordering. QSR is much more invested in front-of-house AI, especially Voice Ordering (33% QSR vs 12% FC) and Drive-thru Computer Vision (23% QSR vs 6% FC).

04

Guest Experience Leads Spend, Fragmentation Limits Impact

Brands are investing in guest experience, but alignment between systems and operations hasn't caught up. Operational execution and consistent experiences are top priority to improve. Execution is the bottleneck, not demand or innovation.

Technology investment priorities for 2026 clearly center on the guest, with Digital Guest Experience leading.



Top Tech Investment Areas

01
57% rank Digital Guest Experience as a top investment

02
Marketing & Loyalty technology is a close second

03
41% cite POS modernization

04
Unified Commerce increased slightly from 14% to 17%

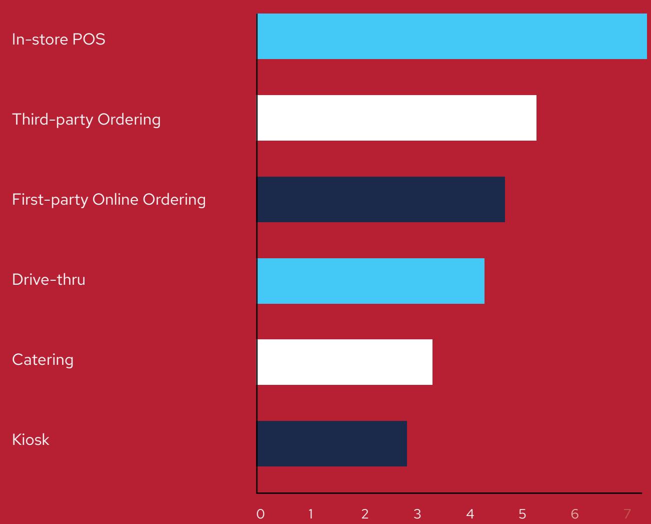
05
CDP dropped from 34% last year to 16% this year.

05

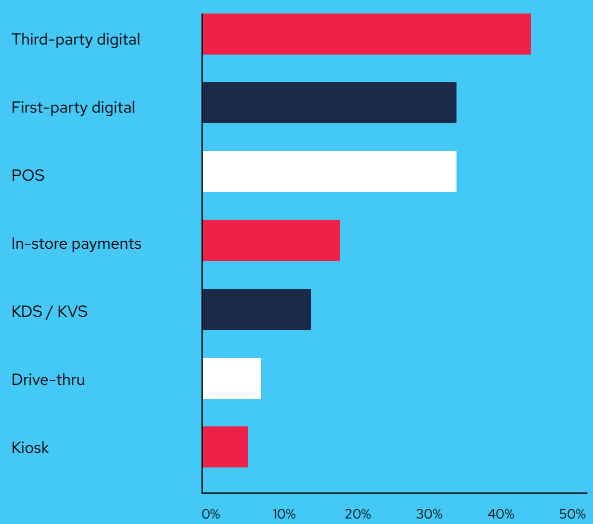
Digital Scale Exposes Operational Vulnerabilities

Digital has amplified risk at the core of the operation. In-store POS remains the primary revenue anchor, but system instability is highest for 3rd party ordering (35%), followed by 1st party digital ordering (27%).

Top Ordering Channel, in terms of total sales



Area of system instability affecting brands most



60%

selected in-store POS as the top performing order channel for sales.

In-store POS remains (emerges) the primary revenue driver for Fast Casual brands, while both third-party ordering and first-party delivery contribute meaningfully to overall sales.

35%

of respondents identified third-party digital ordering as the most frequently cited source of system instability

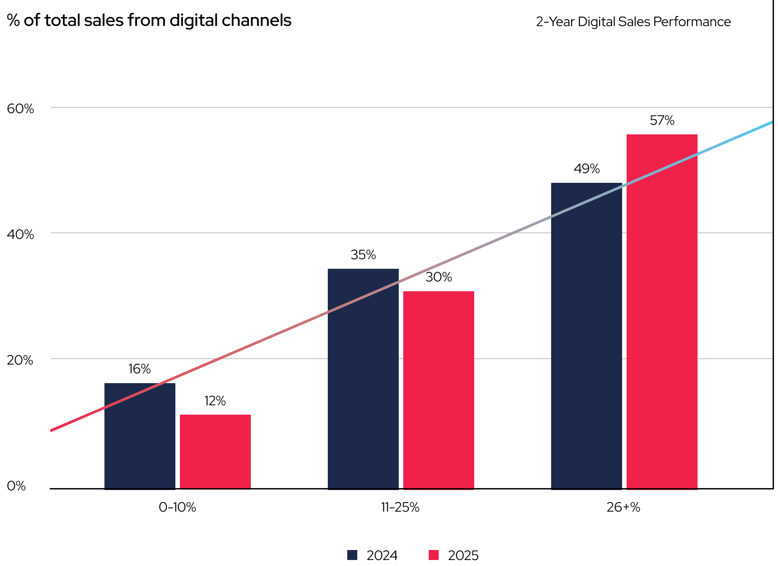
This highlights ongoing challenges around integration, reliability, and operational dependency on external platforms as digital volume continues to scale.

06

Digital Sales Grow; QSR Momentum Accelerates

Digital focus has shifted from adoption to optimization, integration, profitability and efficiency.

PY (2024-2025) comparison



57%

of brands generated more than 25% of total sales through digital channels in 2025—an 8 point increase year over year

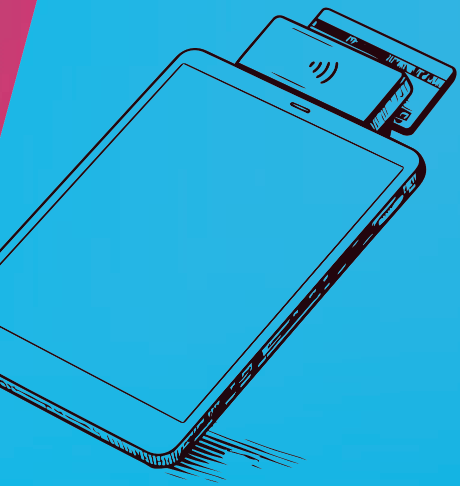
% total sales from digital: QSR v FC

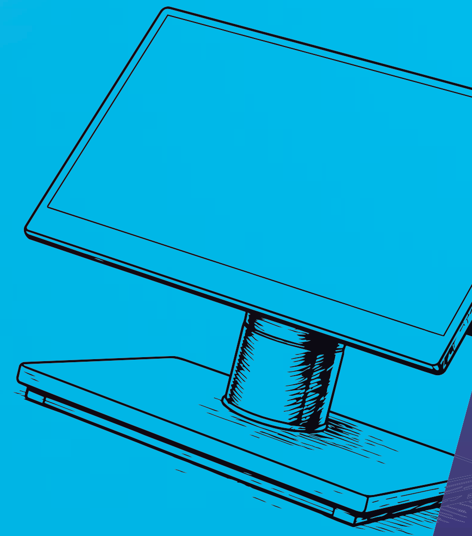
The digital adoption gap between QSR and Fast Casual is narrowing - QSRs are catching up.

YoY, digital adoption is rising within the QSR segment—where the operators with 26+% digital sales gained 10 points (from 23% to 33%)—while FC now has 25% of its digital sales over 41% or more.

	QSR	FC
>26% Digital Sales	32%	60%
11-25% Digital Sales	49%	28%
0-10% Digital Sales	19%	12%

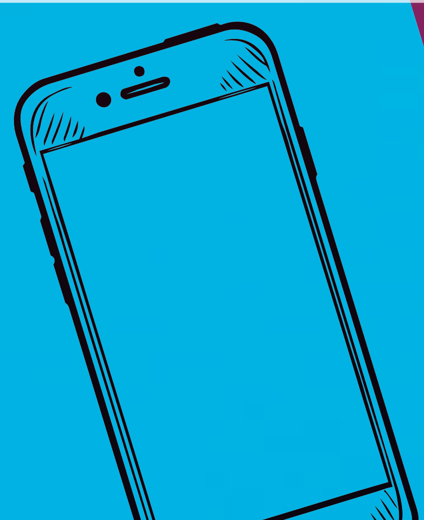
% of total sales from QSR v FC





"Our insights support one eternal truth: hospitality wins. Brands that keep hospitality front and center while simplifying operations and integrating modern technology will lead the pack. The 2026 report builds on seven years of research, making this one of the restaurant industry's most trusted resources for helping operators stay ahead."

JEN KERN
CMO, QU



Demographics

168

Brands Participating

91K

Locations Represented

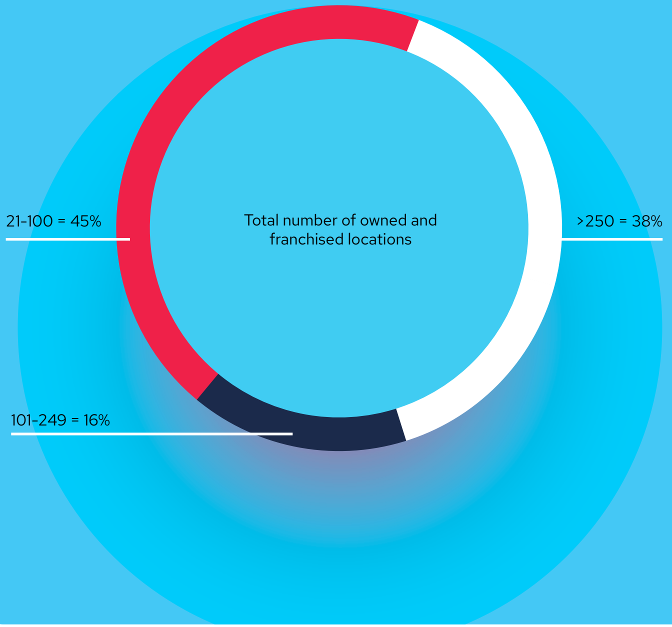
20+

All participating brands had 20 or more locations.

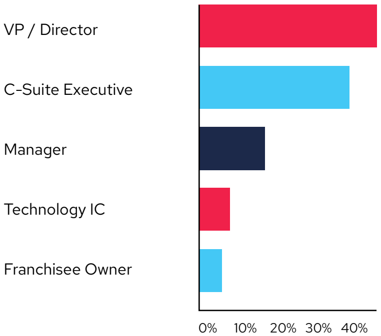
74%

of respondents are director, VP, and above.

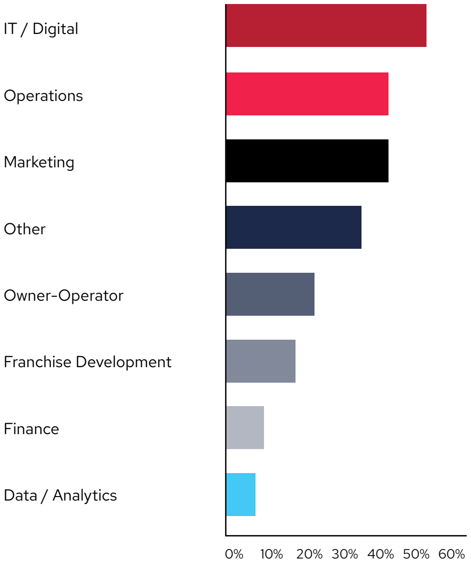
Total number of owned and franchised locations



Job Level



Job Function



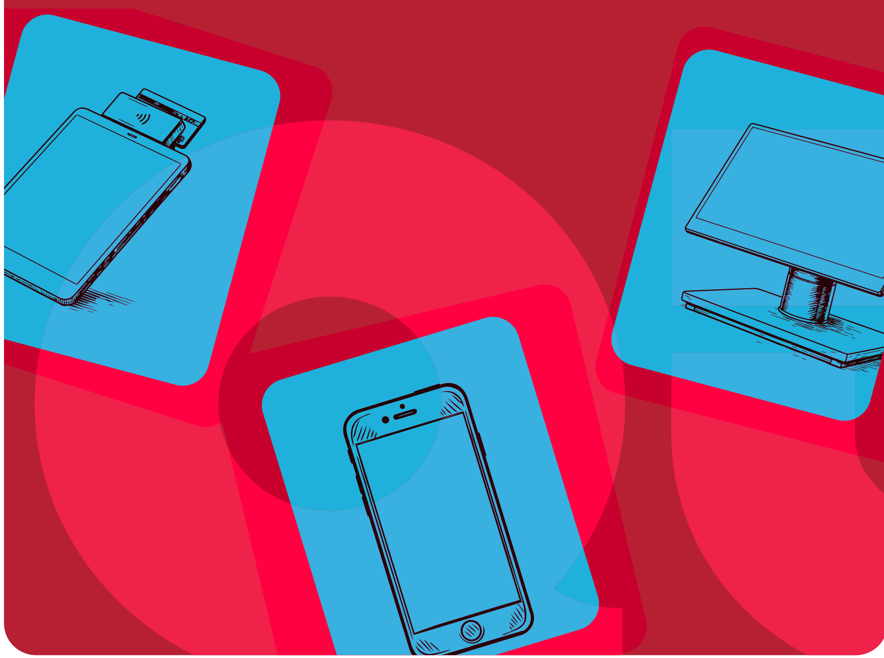
"When restaurants face declining guest traffic, growth can't come from pricing alone. The guest experience must be improved across channels, from ordering to kitchen to fulfillment. To effectively address these challenges with technology, restaurants need intelligent systems built on unified data.

Restaurants are investing more in AI, but those investments can't deliver results if the underlying data remains fragmented. Brands that treat data as a shared, centralized asset will drive higher guest spend and stronger operations."

AMIR HUDDA
CEO, QU

Serve Smarter with Qu

Find out more about how your brand can stay ahead of trends, remove barriers and serve guests smarter with the industry's most stable platform built exclusively for QSR and Fast Casual restaurants.



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