2024 American Diner Trends Report

TouchBistro®

Introduction

The past year has seen significant changes in American dining habits and continued economic uncertainty has begun to affect the appetites of many diners. In contrast to 2022, when consumers seemed able to absorb most menu price increases, this year's data tells a different story.

Many Americans are dining out less than the year before in an effort to save money. And when they do dine out, they're much more sensitive to price increases. They're also frequently on the lookout for other ways to save, like ordering directly from restaurants to avoid paying pricey third-party delivery fees.

Despite heightened price sensitivity, the good news is that there is still a strong desire amongst American diners to visit restaurants and savor the full service dining experience. Value for money, convenience, and quality of food all play a big role in deciding when and where to eat, and can motivate diners to choose certain restaurants over others. In contrast, a restaurant's online reviews, social media presence, and cachet are all less significant considerations for today's value-conscious consumers.

The role of technology in the dining experience has also undergone a bit of a shift. On the whole, American diners appreciate restaurant technology, especially when it makes visiting or ordering from restaurants faster and more convenient. However, when tech replaces too much of the human element in the customer experience, diners are unlikely to come back for seconds. Gen Z diners are the one exception, signaling the importance of balancing generational differences when implementing new technology that may change the dining experience.

To better understand these emerging dining trends and the nuances between generations, we recently surveyed more than 1,500 diners from across the U.S. We also spoke directly with diners of all ages to dive deeper into the stories behind the numbers and let restaurateurs know which trends to watch.

With extensive data on diner frequency, values, habits, and more, our findings reveal just how much has changed in the past year, as well as emerging trends to watch. For restaurateurs, this data provides valuable insight into today's diners and what's required to provide the best possible guest experience.

Objective

This report provides restaurant owners, operators, and other restaurant industry professionals with an in-depth look at how diner habits and preferences are changing, and what diners want out of their dining experiences today. Armed with this information, restaurateurs will be able to:

1. Better navigate current challenges
2. Anticipate upcoming trends
3. Identify new solutions to provide the best possible guest experience

Methodology

We partnered with research firm Maru/Matchbox to survey 1,500 diners in the U.S. Our research was conducted from September 12th to September 21st, 2023. Survey results are accurate +/- 3% for the general population of American diners.

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Report Highlights

Our respondents gave us a unique opportunity to understand not only what gets diners through the door, but also what keeps them out. And as we uncovered, delivering value for money along with attentive, high-quality customer service will likely be the key to helping restaurateurs navigate a shifting economic landscape in 2024.

Here's a preview of some of our key findings.

Americans Dining Out Less Frequently Than in 2022

Overall, Americans are making fewer trips to restaurants than they did in 2022 (down 9%). Inflation has impacted discretionary spending for many households, and most diners are trading restaurant visits for home-cooked meals to save money.

39%

of Americans dine out weekly or more often (vs. 48% in 2022)

Diners Increasingly Sensitive to Price Hikes

The number of U.S. diners who are highly concerned about menu price increases has jumped considerably (up 8% from 2022). Across the board, 31% of diners reported that if a restaurant increased its prices, this would *significantly* impact their interest in dining there. In addition, 43% said that price hikes would *somewhat* impact their interest.

31%

say that if a restaurant increased its prices, it would *significantly* impact their interest in dining there

When Searching for Rewards, Diners Turn to QSRs

Loyalty programs have grown in popularity among American diners, with 46% reporting that they're currently part of a loyalty program (up 10% from 2022). Reward programs at quick-service restaurant (QSR) chains are by far the most common (81% or a staggering 97% for Gen Z diners).

46%

of diners are part of a restaurant loyalty program

Report Highlights

The Dining Experience Often Starts Online

Before deciding on a new restaurant, 85% of American diners look at the menu online first, while 80% look at the restaurant's website. In addition, 64% conduct a Google search for the restaurant. In other words, it's clear that a consumer's first experience with a restaurant is usually online.

85%

of diners always or usually look up a restaurant's website before dining

Diners Prefer Dealing Directly with Restaurants

More Americans are choosing to skip the middleman and place takeout orders directly through restaurants, instead of using a third-party apps. Diners are increasingly put off by the fees associated with these apps and would rather order takeout by calling the restaurant (29%), using its website (24%), or its own online ordering app or platform (19%). The majority of diners are also looking to save money by picking up their food (30%), with the exception of Gen Z diners, who prefer delivery (46%).

72%

of diners prefer to order takeout directly from a restaurant (over the phone, online, or through a restaurant's own app) as opposed to a third-party app

Great Food and Service Beat Out Flashy Tech

Quality food and attentive, customer-centric service are much greater priorities than advanced technology like AI or QR code menus. When choosing where to eat, food quality (67%) and cuisine type (54%) lead the way, while just 2% expressed a desire for AI-generated order recommendations. In addition, 85% of American diners prefer to order from a physical menu and speak with a server, compared to a negligible 4% who prefer QR codes.

85%

of diners prefer to order from a physical menu and speak with a server (versus using a kiosk or QR code)

For Today's Diners, Time is Precious

U.S. diners are not only price-sensitive, they're also time-sensitive. The average time they'll wait for a table is just 22 minutes, with a wait time of more than 25 minutes becoming a huge deterrent. And when it comes to takeout and delivery, diners report that they'll wait a maximum of just 30 minutes on average before canceling their order altogether.

22 Minutes

is the average amount of time diners will wait for a table when dining in

What Diners Want: Frequency & Habits

U.S. diners are looking for savings, convenience, and connection this year. While they're dining out less and ordering in more, their preferences make it clear that when they do dine out, they want to spend their hard-earned dollars visiting restaurants that are surpassing their needs and prioritizing customer service over flashy technology.

Dine-In & Takeout Frequency

Takeout Takes Center Stage

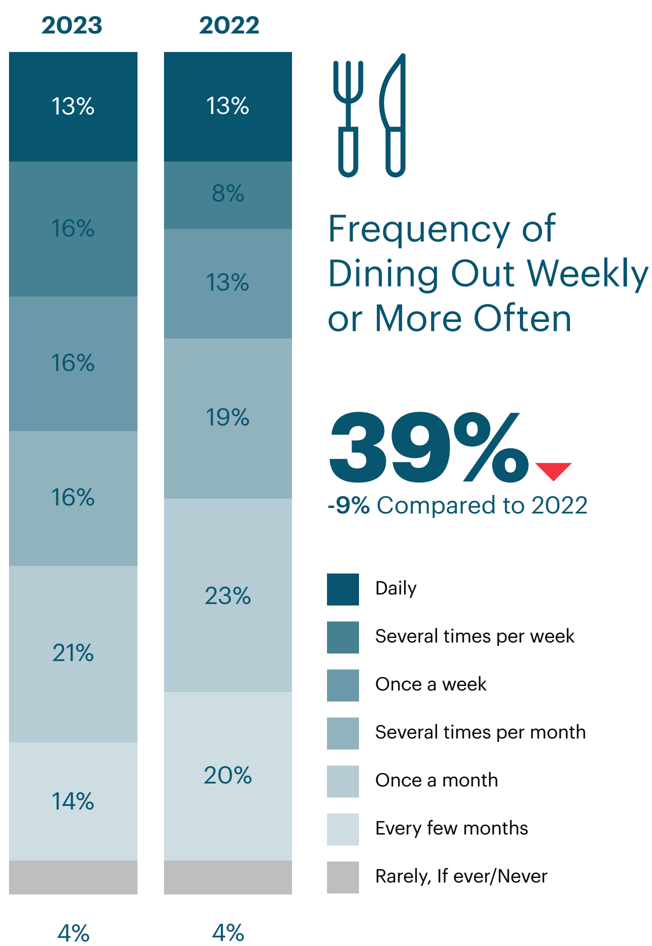
Dine-in rebounded last year, but consumers have now made a slight shift back to ordering takeout more frequently. On average, only 39% of Americans are dining out weekly or more often compared to 48% in 2022.

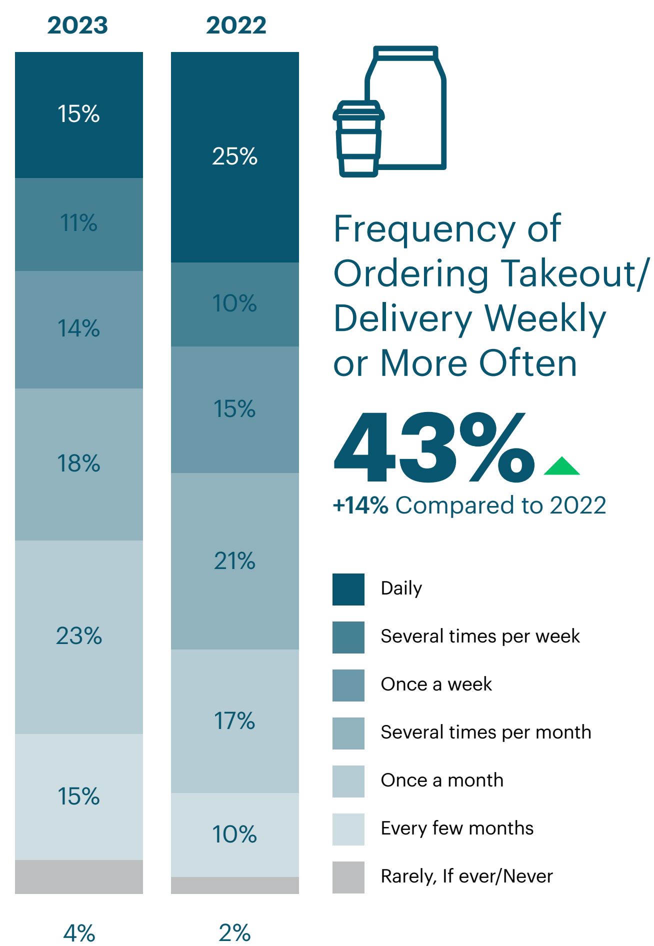
Meanwhile, 43% are ordering takeout at least once a week, compared to just 29% in 2022. This is understandable, given that takeout bills tend to be smaller than dine-in checks, making takeout and delivery a more attractive option for consumers during this period of high inflation.

"My family is kind of selective about when we actually go eat at a restaurant. It's usually more of a social thing or a special occasion. In a given month, we'll go out [to eat] maybe three to four times. But, we do takeout about two to three times a week."

(Female, 37, San Francisco, CA)

However, Gen Z consumers and loyalty program members are the exceptions, with 64% of Gen Z and 47% of loyalty program members dining out weekly or more often, and 69% of Gen Z and 49% of loyalty program members getting takeout and delivery with the same frequency.



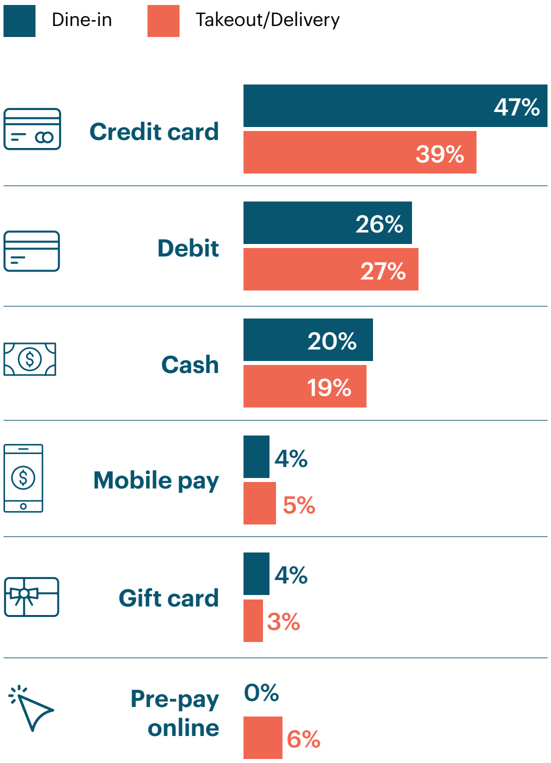


Americans Dining Out Less, Spending the Same

While the number of Americans dining out each week is down, their average spend has stayed relatively the same. On average, Americans spend $48 on dine-in ($2 more than in 2022) and $31 on takeout/delivery ($3 less than in 2022). It's likely that higher menu prices are causing overall spending to hold somewhat steady, even though Americans have shifted their dining habits.

However, not all groups have cut back on restaurant spending to the same extent. Gen Zs and loyalty program members – the two groups that visit restaurants the most often – both report spending far more on both dine-in and takeout. Gen Z diners report spending $51 on dine-in ($3 above average) and $38 on takeout/delivery ($7 above average). Similarly, loyalty program members report spending $49 on dine-in ($1 above average) and $32 on takeout/delivery ($1 above average). If these groups are able to weather current economic conditions, they will represent a lucrative market for restaurants in the year ahead.

Preferred Payment Method



Quality Time Outshines Fancy Extras

When they do dine in, U.S. diners don't need anything too fancy – they mainly care about spending quality time together.

In fact, Americans most often look for fast casual (28%) and family style spots (28%) when dining in. Fast casual restaurants are especially popular among Gen Zs, Gen Xers, and loyalty program members looking for convenience and casual settings for quick social meetups, while Millennial parents and Boomer grandparents are seeking quality time at family style restaurants.

In addition, Americans say they primarily dine out with their significant other (56%) or family (49%), but rarely alone (82% reported that they *never* dine alone), suggesting that dining out is very much still a social activity for most Americans.

82% **Never** dine out alone

Type of Restaurants Diners Look for Most Often When Dining Out

Family style	28%
Fast casual	28%
Fast food	16%
Bar/grill	12%
Fine dining	7%
Brasserie/bistro/cafe	6%
Other	2%

Diners Frequent Chains and Independent Restaurants Equally

U.S diners may have a clear preference among restaurant types, but they favor chain restaurants and independent joints similarly. While 37% say they generally look for chains, 35% look for independently owned venues.

Chain restaurants tend to be large enough to have many locations, reward programs, and consistent menus, which is likely why busy Millennials (42%), Gen Xers (41%), and loyalty program members (41%) seek them out the most often. In contrast, Gen Zs and Boomers have more time to dedicate to discovering local, independent gems.

Type of Restaurants Diners Look for Most Often When Dining Out

Chain/franchise	37%
Local/independent restaurant	35%
Part of a restaurant group	6%
Don't choose based on ownership	19%
Don't know/none	3%

"If I'm coming from home, I'm probably going somewhere local in the neighborhood – no more than about 3 miles [away]. And then there are other places that are not local but a chain, like Olive Garden, that I go to."

(Male, 50, Miami, FL)

Younger Generations Try New Restaurants Most Often

Similar to 2022, less than half of all diners (38%) say they try a new restaurant every few months, and another 34% say they *rarely* try a new restaurant. In other words, the vast majority of diners are loyal to their favorite spots. For operators, this information is crucial, because it underscores just how important it is to continue nurturing their existing customer base, as these guests provide the bulk of recurring revenue.

However, one exception is Gen Z. These diners are big fans of trying new places. Over a quarter (27%) reported visiting new restaurants several times per week, while 0% of Boomers said the same. So while Boomers are open to discovering new spots, they tend to do so slowly over many months.

All Diners

3% Daily

5% Several times per week

4% Once a week

5% Several times per month

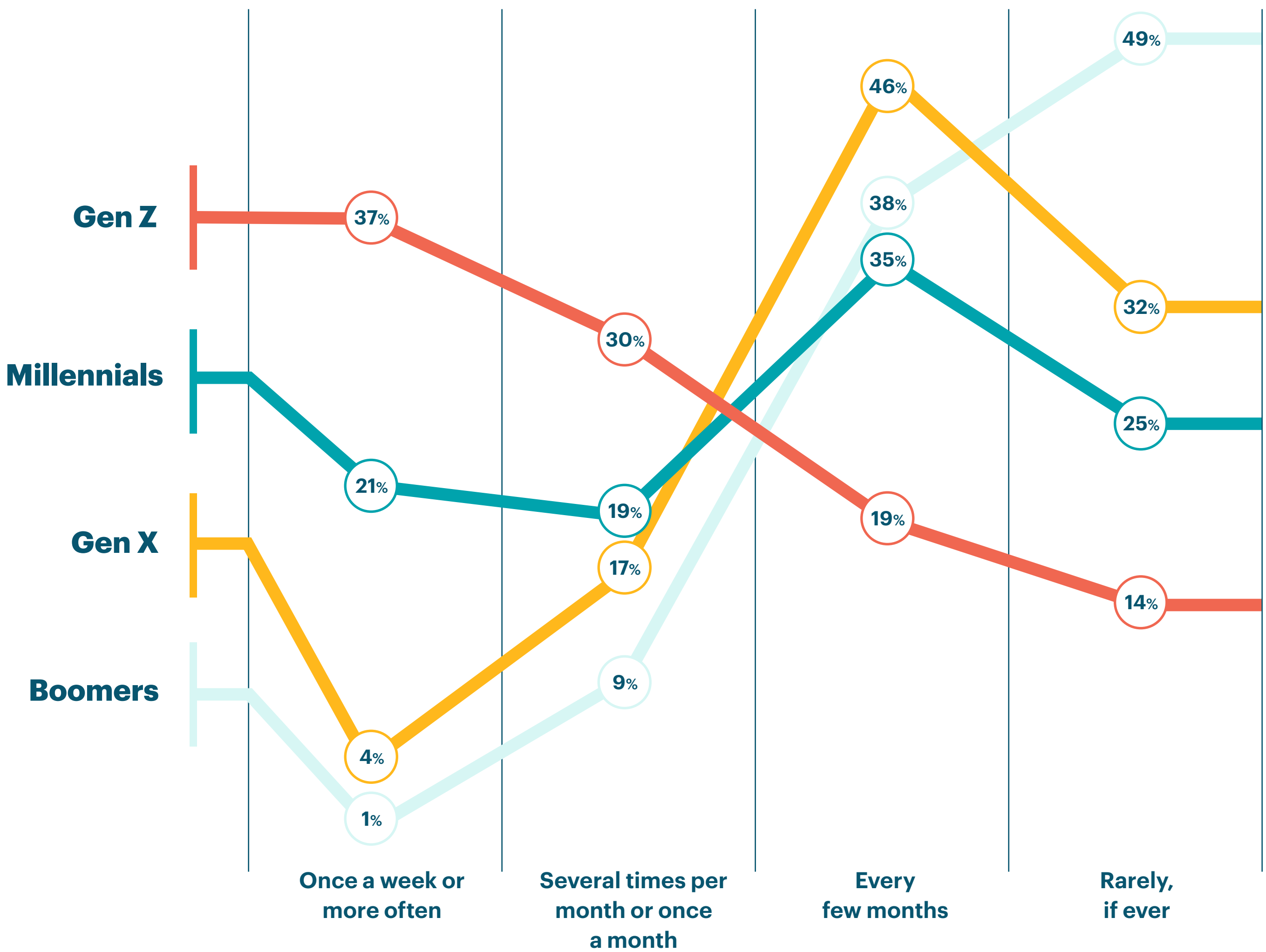
10% Once a month

38% Every few months

34% Rarely, if ever

1% Never

Frequency of Visiting **New Restaurants**



Takeout & Delivery Preferences

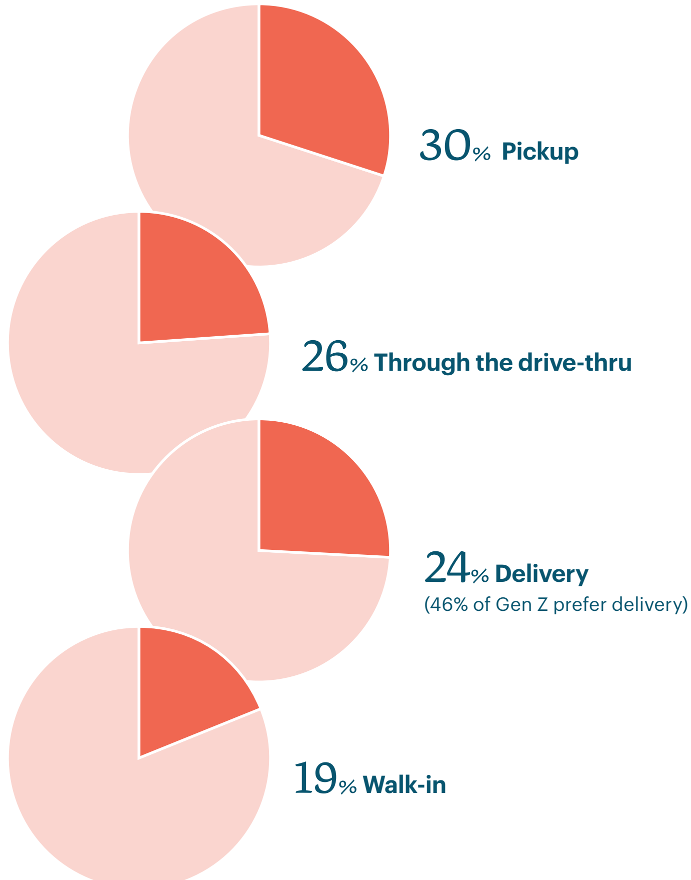
Pickup and Drive-Thru are the Preferred Takeout Methods

Third-party delivery apps may be convenient, but diners have mixed feelings about using them. They find the apps costly, and oftentimes, local joints aren't on the platforms. In addition, when diners know what they want to order, it's faster and more accurate to call the restaurant directly. Diners also find third-party apps can take longer to confirm their orders and deliver their food because someone needs to accept the order pickup first. This sentiment is reflected in the data across nearly all age groups.

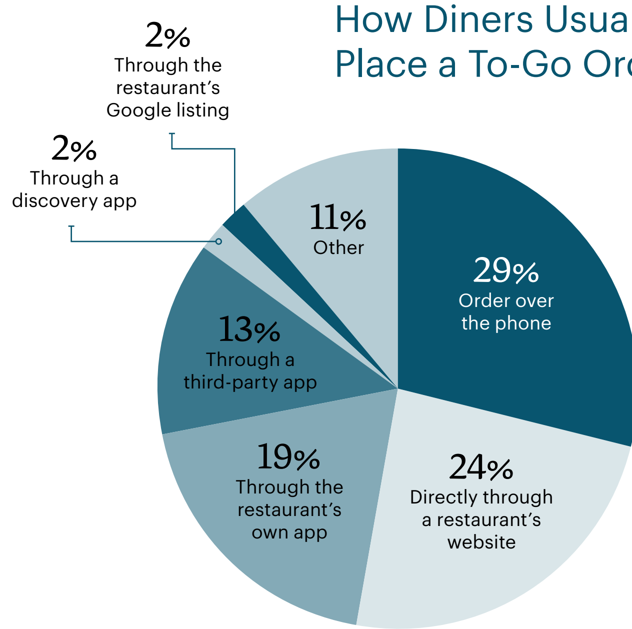
Nearly a third of Americans (30%) prefer to go into a restaurant to pick up their takeout orders and the drive-thru ranks a close second at 26% – numbers that remain largely unchanged from 2022. Gen Xers use the drive-thru most (34%), while Gen Z is partial to delivery (46%).

When placing a takeout order, older folks opt to call it in (38% of Boomers). In contrast, younger generations and those who are loyalty program members opt for the restaurant's own app (for instance, the McDonald's app or Starbucks app), with 23% of Millennials, 23% of Gen Zs, and 27% of loyalty program members preferring this experience.

Preferred Takeout Method



How Diners Usually Place a To-Go Order



"For takeout, I would just pick it up. I think it's easiest to just call and place the order and say we're going to come pick it up. I feel like if I [order takeout] online, I'm using my phone and the screen is kind of small, then I have to do a lot of clicks. I just want to call in since I already know what I want."

(Female, 37, San Francisco, CA)

DoorDash is the Top Third-Party App

Among Americans who *do* use third-party apps, there is a clear favorite: DoorDash. In fact, DoorDash has risen significantly in popularity from 68% in 2022 to 79% in 2023. Uber Eats is also popular, with 60% of diners reportedly using the platform. However, Uber Eats does lose some of its popularity among Gen X diners (38%) and Boomer diners (35%).

And while Postmates and Delivery.com have a decent slice of the market as well, DoorDash, Uber Eats, and Grubhub are the go-to platforms for the majority of diners.

"I use DoorDash when I'm feeling lazy – when I'm just not wanting to go out. I'm willing to pay for the convenience."

(Female, 29, New York City, NY)

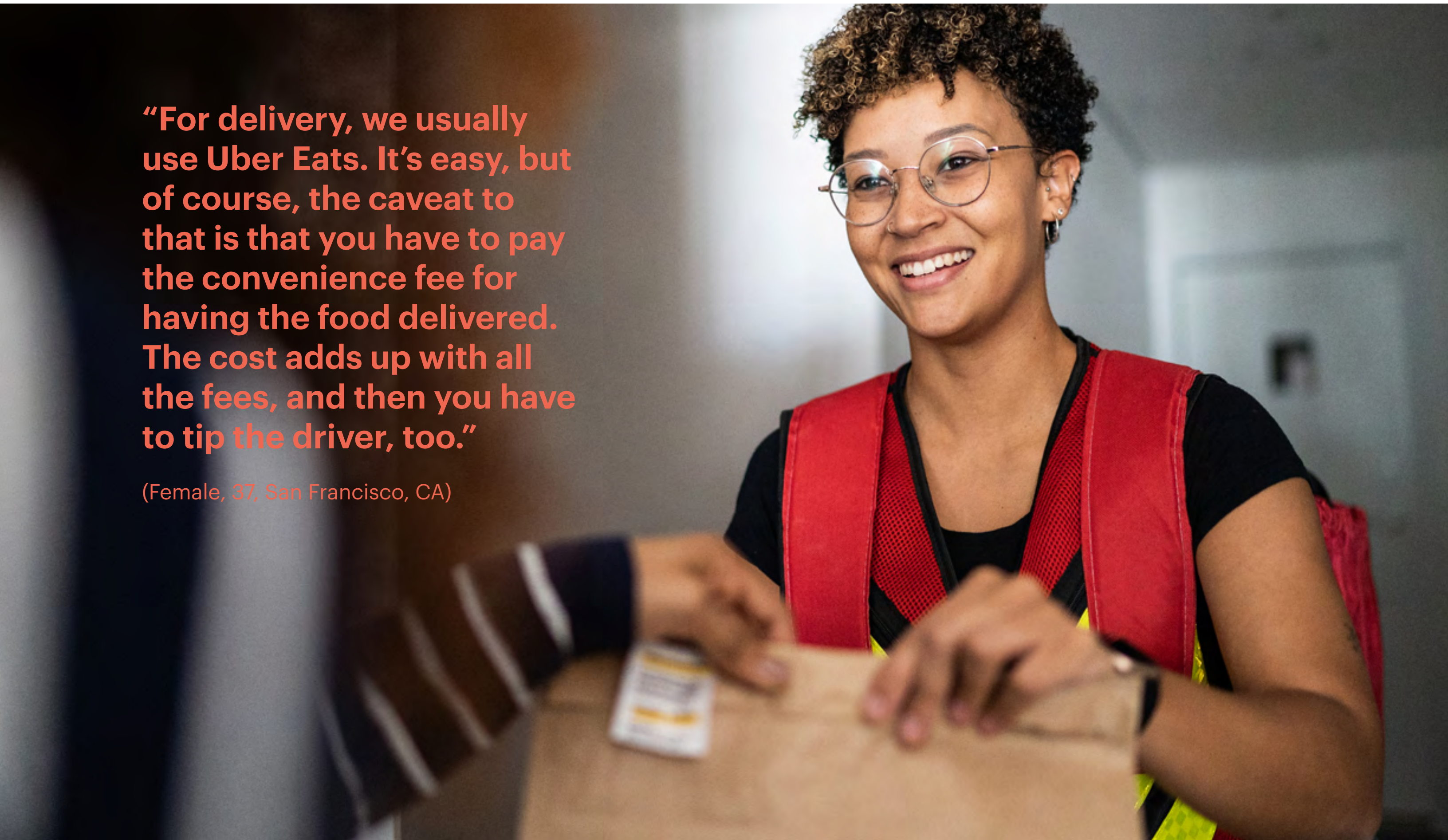
Which Third-Party Ordering Apps Americans Are Using

Popularity of Third-Party Ordering Apps by Generation

	2023	2022	Gen Z	Millennials	Gen X	Boomers
DOORDASH	79% ▲	68%	87%	80%	67%	83%
Uber Eats	60%	56%	78%	67%	38%	35%
GRUBHUB	47% ▲	36%	40%	50%	55%	32%
Postmates	15%	16%	27%	15%	11%	5%
delivery.com	13%	15%	39%	13%	0%	0%
RITUAL	6%	7%	17%	6%	0%	0%
SKIP THE DISHES	5%	7%	8%	5%	5%	0%
Other	4%	1%	0%	0%	12%	8%

Popularity of Third-Party Ordering Apps by City

	DOORDASH	Uber Eats	GRUBHUB	delivery.com	Postmates
New York City	43%	78%	52%	4%	13%
Los Angeles	67%	28%	33%	11%	28%
San Fransisco	82%	53%	41%	6%	18%
Miami	58%	75%	25%	4%	29%
Chicago	83%	50%	50%	0%	0%
Houston	76%	53%	18%	12%	6%



"For delivery, we usually use Uber Eats. It's easy, but of course, the caveat to that is that you have to pay the convenience fee for having the food delivered. The cost adds up with all the fees, and then you have to tip the driver, too."

(Female, 37, San Francisco, CA)

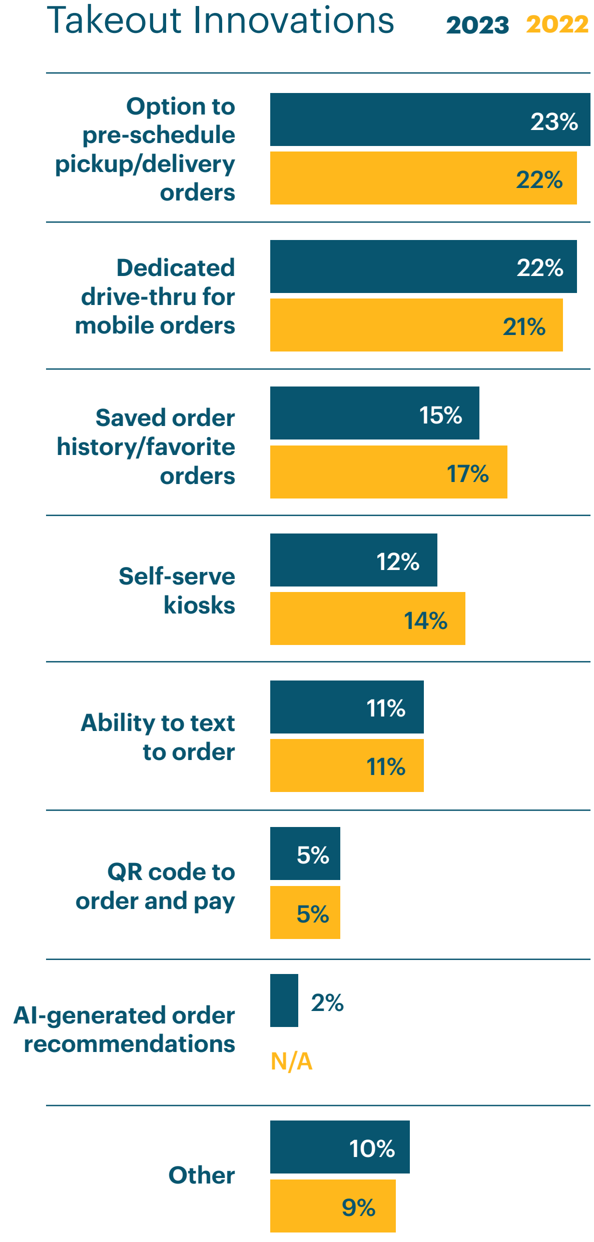
Diners Don't Want AI on the Menu Just Yet

When asked which innovations they'd most like to see at restaurants, 23% of diners chose the option to pre-schedule pickup and delivery orders. Interestingly, only 2% wanted AI-generated order recommendations, which signals that restaurants should proceed with caution when incorporating AI into their customer experience, as the human element is still a major draw. While Gen Z diners are the most open to AI recommendations, only 8% wanted to see this particular innovation.

That said, diners are certainly not averse to technology. For instance, those who can see the value of the QR code ordering system believe it enhances the ordering experience by offering the ability to include pictures for every menu item.

Moreover, 15% of Millennials diners want to see restaurants add self-serve kiosks and 14% of Gen Z diners want to see restaurants add text-to-order options – two figures that suggest younger diners are increasingly open to customer-facing restaurant tech.

Most Desired Takeout Innovations



"Tech should always be easy to use because if I have any questions or there are any issues, then it overrides all of that convenience."

(Female, 37, San Francisco, CA)

Dine-In Preferences

Diners Want Human Connection

Perhaps one of the strongest trends to emerge in the past year is that diners overwhelmingly want to order from physical menus and to speak with a real server when they go to a restaurant (85% of all American diners). This shows just how critical the human element is to the dining experience and how important customer service still is to a restaurant's success.

In fact, only 4% of Americans preferred using contactless QR code menus, suggesting a strong aversion to the technology. Even among Gen Z, a generation much more comfortable with technology, only 15% preferred QR code ordering – a small minority.

In addition, U.S diners also prefer a more traditional, server-led payment experience – that is, when a server comes to take their payment, but then processes it away from the table (50%). Again, only a small number of diners (17%) favored QR code payments.

Preferred Payment Experience When Dining In

50% Server takes the payment and processes it away from the table

33% Server brings a handheld payment terminal to the table

17% Self-checkout via QR code payment at the table

Preferred Method of Placing an Order

Reservations More Popular Among Younger Generations

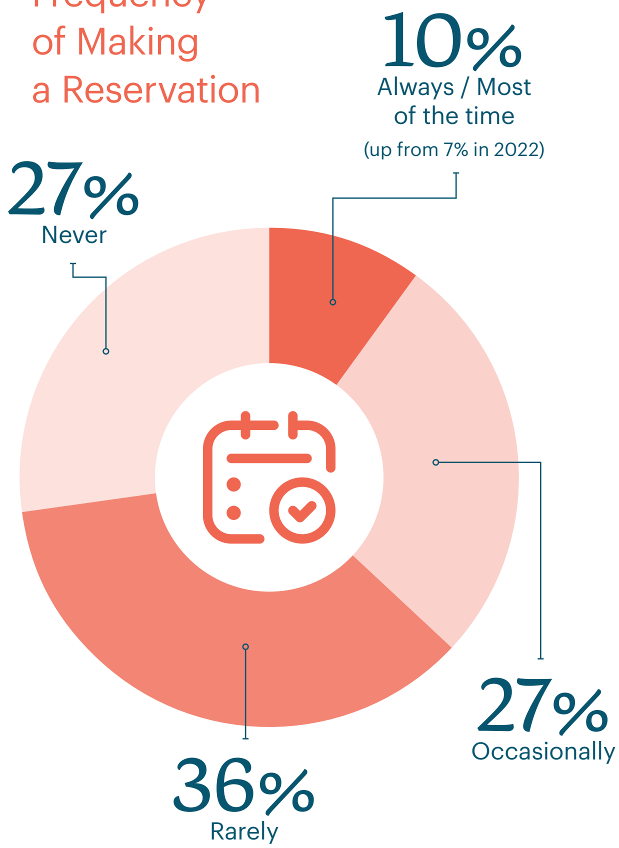
Reservation trends vary among Americans, with most preferring to save reservations for special occasions like holidays. Overall, 27% reported they occasionally make a reservation when they dine out, 36% rarely make a reservation, and another 27% never make a reservation. However, reservations are still popular among younger diners. When it comes to Gen Z and Millennials, 59% and 33% occasionally make reservations.

These findings ultimately suggest that for older diners, dining in is a spontaneous activity that restaurants can best accommodate by readily accepting walk-ins. In contrast, younger diners are best served by having the option to make a booking if the occasion calls for it.

"Very rarely do I make a reservation. Nine times out of 10, I'm not doing that."

(Male, 39, Chicago, IL)

Frequency of Making a Reservation



Frequency of Making a Reservation by Generation

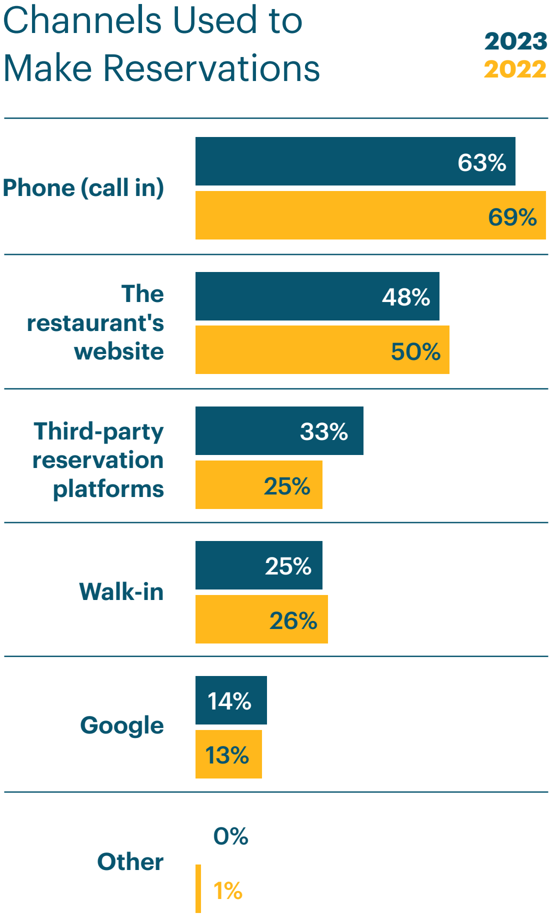
	Always/most of the time	Occasionally	Rarely	Never
Gen Z	11%	59%	20%	10%
Millenial	13%	33%	31%	23%
Gen X	4%	24%	43%	29%
Boomers	8%	16%	39%	37%

Phone is the Primary Reservation Method (For Now)

As for how they make reservations, American diners will use third-party apps for reservations if a restaurant's website redirects them to so, but most (63%) feel more confident that their reservation will be placed properly if they speak with restaurant staff directly over the phone. Nearly half (48%) also prefer using the restaurant's website. Only 33% use third-party reservation platforms like OpenTable, although this is an increase from 25% in 2022 (especially among Gen Zs and Millennials), suggesting that diner habits may be slowly shifting away from the phone.

However, it's worth noting that the affinity for the phone isn't limited to older generations; 64% of Gen Z and 57% of Millennials report using the phone to make reservations. Among those who prefer this method, they value the ability to ask staff questions over the phone while making their reservation.

Channels Used to Make Reservations



"My preferred method is to just call and reserve that way. I've never made a reservation using a third-party app. It just seems more convenient to call."

(Female, 37, San Francisco, CA)

How Diners Decide: Decision-Makers & Motivators

While each generation prioritizes different factors, overall, American diners value the cornerstones of hospitality, quality food and service, when they choose where to eat. They're less interested in the bells and whistles, and not highly likely to be swayed by influencers' opinions, either.

Decision-Making Factors

Food is the Focus

Even with all the changes to diner habits in recent years, American diners still want to see restaurants serving up quality cuisine. In fact, it's the most important factor in deciding where to eat for 67% of consumers. Next up are cuisine type and value for money, sharing second place at 54% each, which suggests that simply serving great food at a reasonable price can be the key to keeping diners coming back.

When it comes to some of the more nuanced, generational differences, Gen Z diners are more likely to factor in recommendations from family and coworkers, as well as dietary restrictions when deciding on a restaurant, compared to older demographics.

"Nowadays we're selective on where we dine in so we start by choosing a cuisine that my whole family will like. Once we've decided on the type of food, what we think about next is which restaurants are reasonably priced. When we actually do dine out, we want to make sure that we dine out at a place that all of us likes – where the portions are reasonable for the price and the quality is adequate. [The quality] doesn't have to be superb, but it should be pretty, make us happy, and be flavorful."

(Female, 37, San Francisco, CA)

How Diners Decide Where to Dine

Quality of food	67%
Type of cuisine	54%
Value for money	54%
Convenient location	51%
Deals/specials being offered	31%
Recommendations of family/significant other	28%
Recommendations of friends/colleagues	26%
Online reviews/ratings	18%
Dietary restrictions/ preferences	8%
Curated lists (e.g. Top 10 new restaurants, 5 cafes to try, etc.)	7%
Recommended by an influencer online	7%
Popularity on social media	6%
Other	2%
None of the above	2%

Cuisine Type and Food Quality Drive Diners to New Venues

Similarly to what drives diners to choose a restaurant, cuisine type and food quality also influence their decisions on visiting new restaurants. Value for money is also among the top three influencing factors. This is especially true for younger diners, who are more strapped for cash than their older counterparts. This group is slightly more influenced by how much a meal will cost, with one-half (49%) of Gen Z ranking value for money among their top three consideration factors.

Decided to Try a New Restaurant Based Solely on the Following

Type of cuisine **84%**

Convenient location **82%**

Quality of food **80%**

"I think about pricing and portions...I'm willing to spend a little extra on good quality food, especially if it's healthier."

(Female, 29, New York City, NY)

Online Motivators

Younger Diners Turn to the Internet, Older Diners Turn to Friends and Family

While nearly all diners make decisions based on cuisine type and quality of food, there are some key differences between how older and younger diners choose new restaurants.

Overall, Gen Zs and Millennials tend to be swayed by what they see online. Our survey found that more than half (52%) of Gen Z diners have made the decision to try a new restaurant based entirely on positive feedback on social media. Among Millennials, positive online reviews were the biggest motivator (67%).

In contrast, Gen Xers and Boomers tend to trust word-of-mouth reviews from those they know. 83% of Gen Xers have visited a new restaurant solely based on recommendations from friends or coworkers, while 80% of Boomers have decided to try a new restaurant based on recommendations from family or a significant other.

"If we want to try a new restaurant, we'd probably go to Yelp and rely on the reviews. But we mostly hear about new restaurants through word of mouth, like from a friend or a family member who mentioned it. They might say they dined there before and they like it and then they'd recommend it."

(Female, 37, San Francisco, CA)

52% of Gen Z diners have made the decision to try a new restaurant based entirely on **positive feedback on social media**

67% of Millennials have made the decision to try a new restaurant based entirely on **positive online reviews**

83% of Gen X diners have made the decision to try a new restaurant based entirely on **recommendations from friends/coworkers**

80% of Boomers have made the decision to try a new restaurant based entirely on **recommendations from family/a significant other**

A Digital Menu is a Must

Across generations, the number one thing nearly all diners do before deciding on a new restaurant is to look at the menu online. Similarly to 2022, 85% of diners reported *always or often* doing this. Additionally, a third (33%) always look at the restaurant's website and a quarter (25%) always look at reviews. This illustrates that online menus are paramount, and it means restaurants must ensure their websites are both easily searchable and user-friendly.

While social media ranked lower on the list of things diners check before deciding on a new restaurant, 27% of Gen Z said they always look here and 23% of Millennials said the same – so it's worth restaurateurs' time to keep their social channels up to date, even if these channels may not be a driving force for all diners.

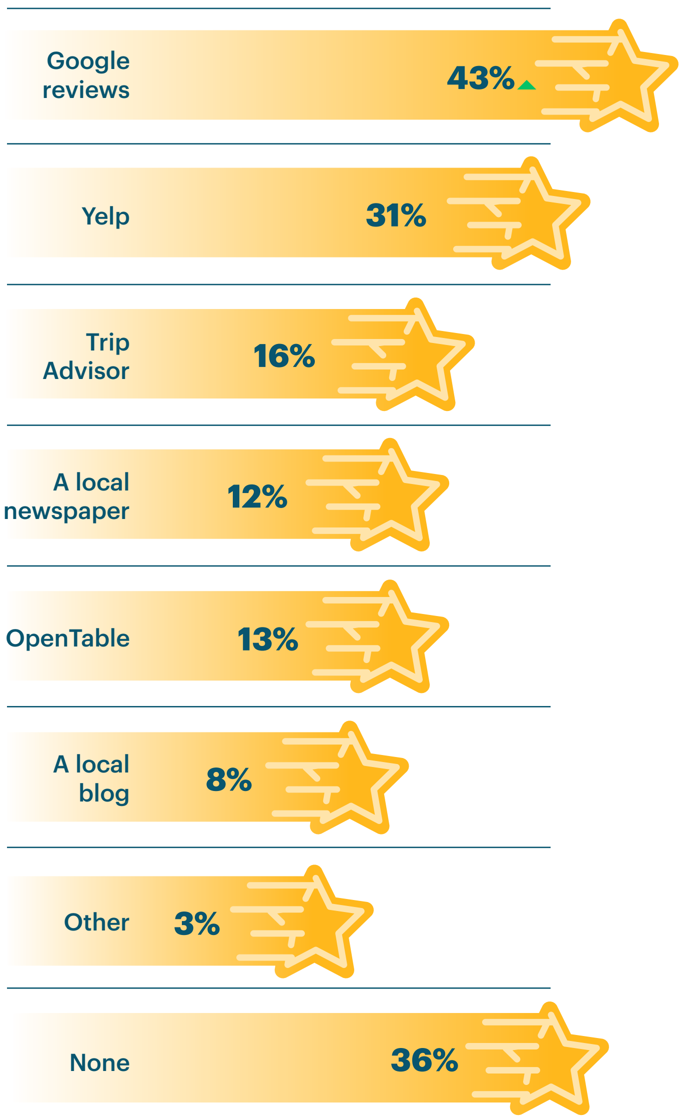
"If I'm going to a new restaurant, I look at the reviews. I would definitely go to the reviews before anything. For me, reviews matter. I'm not just going to look at the first five-star reviews and be like, 'Oh, this is great.' I'm the type of person to filter to the bad reviews. I want to know where it could go wrong, or maybe what not to order."
(Female, 29, New York City, NY)

Steps Diners Always/Often Take Before Deciding on a New Restaurant

When Diners Seek Out Reviews, They Google It

Online ratings and reviews influence many diner decisions and when consumers want to look up restaurant reviews, Google is their #1 source. In the past three months, 43% have read Google restaurant reviews, followed by 31% who have read reviews on Yelp. This mirrors a similar trend from last year, reflecting the value of Google to give diners all the information they crave in one convenient place.

Restaurant Reviews Sources Used in the Past 3 Months

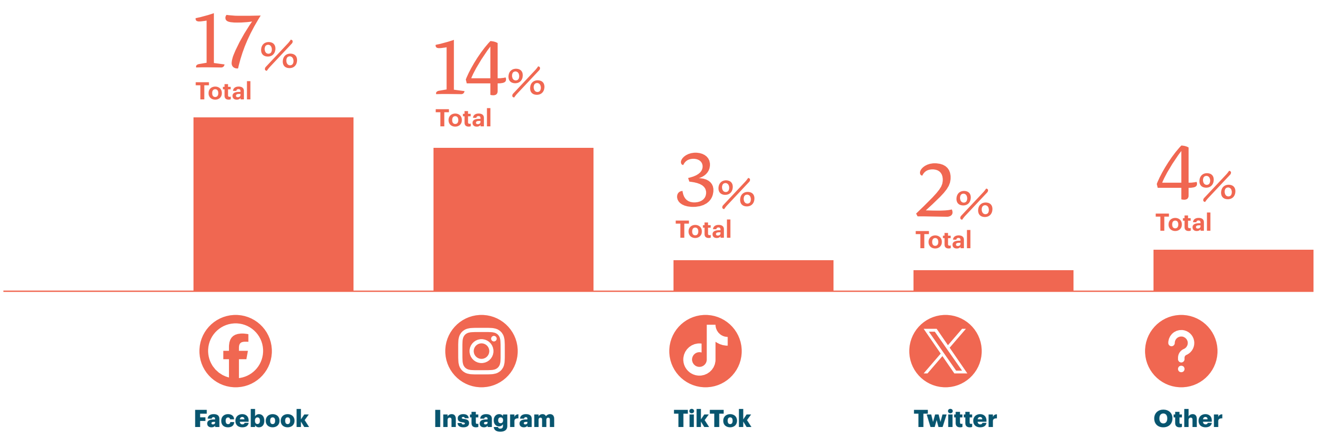


Social Media Holds a Little Less Clout

What's less important to diners? A restaurant's popularity on social media. In fact, 60% of diners report that *none* of the social media platforms have any influence on where they choose to dine. Instead, recommendations from people diners know and trust – like family and friends – carry more weight than those from online sources.

However, social media does still make a difference to Millennials and Gen Z, especially Instagram, which 48% of Gen Z diners say influences their restaurant decisions. This mirrors a trend from 2022, although TikTok seems to have lost some influence among this generation.

The Influence of Social Media Platforms on Where Diners Choose to Dine



	Facebook	Instagram	TikTok	Twitter	Other
Gen Z	11%	48%	12%	5%	4%
Millenials	22%	24%	5%	3%	4%
Gen X	21%	5%	2%	3%	5%
Boomers	11%	1%	0%	0%	3%

"I use Facebook, Instagram, and TikTok – those are usually my go-tos. I don't really look for restaurants, they usually just come up in my feed."

(Male, 39, Chicago, IL)

Menu Trends

Americans Want to See Local on the Menu

It's clear that food is the driving factor for the majority of restaurant visits, which begs the question of what *kind* of food can get diners in the door. And as it turns out, locally sourced ingredients can be a motivating factor.

When asked how different food choices would impact their likelihood to dine in or order takeout from a restaurant, 69% reported they'd be *very or somewhat* likely to choose a place with locally sourced ingredients. Millennials and Gen Z diners were the most swayed by locally sourced ingredients, with 72% and 88% respectively saying that they'd be *very or somewhat* likely to choose a place with local fare.

Gen Z is also highly influenced by other dietary needs. For example, 74% of Gen Z diners are *very or somewhat* likely to visit a restaurant for its gluten-free offerings, while 65% said the same about vegetarian offerings.

While it may not be necessary for restaurants to completely overhaul their menus to make a ton of accommodations, it is clear that catering to specific dietary preferences can help to capture the attention of large swaths of consumers.

Diners Who Would be Very Likely/Somewhat Likely to Choose a Restaurant Based on Specific Offerings

69%
Locally sourced ingredients

30%
Diet-specific (i.e. keto, paleo, etc.)

29%
Vegetarian

29%
Gluten-free

25%
Vegan

25%
Halal or Kosher

What Deters Diners: Sensitivities & Deal-Breakers

While all savvy restaurateurs want to know what gets diners in the door, it's equally important to understand what keeps them out. And these days, it turns out that negative feedback from friends is just as likely to turn diners off as a health inspection warning.

Price & Wait Time Sensitivities

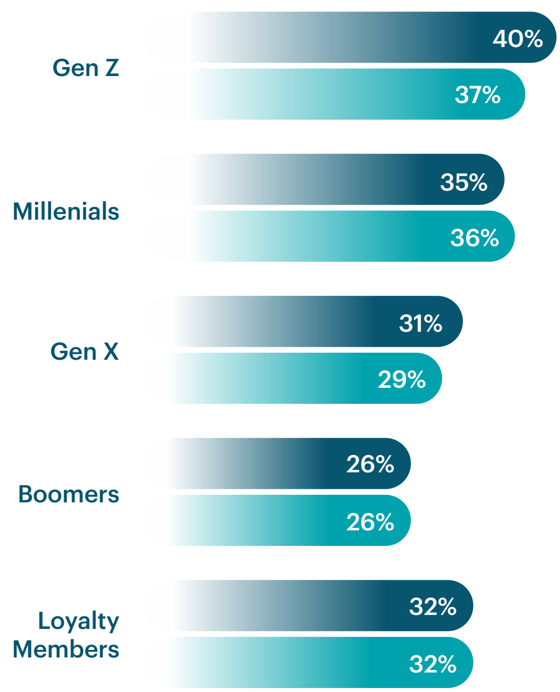
Leave Price Hikes Off the Menu

In today's unpredictable economy, fewer Americans are dining out and price hikes are one of the biggest culprits. Nearly a third (31%) of diners reported that if a restaurant raised its prices, this would *significantly* impact their interest in dining there (up from just 21% who said the same in 2022). In addition, 41% said it would *somewhat* impact their interest, suggesting that even those who can spend a little more are feeling less comfortable doing so.

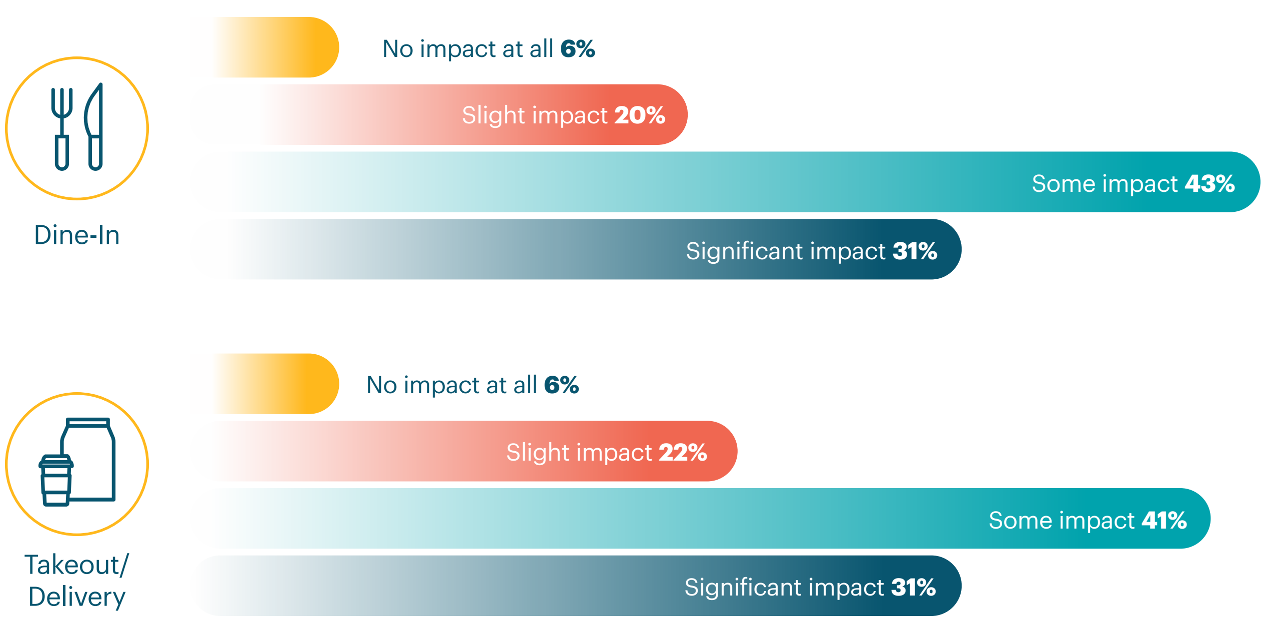
Diners feel the same way about takeout prices, with 31% reporting that if a restaurant bumped up its prices, this would *significantly* impact their interest in ordering takeout/delivery from there. Moreover, 43% said it would *somewhat* impact their interest. This data suggests that even though takeout sales are up, consumers are keeping a close eye on how much they're spending. Indeed, restaurateurs must keep in mind that a year of high inflation has pushed customers to their financial limits and many of the people who previously absorbed menu price hikes are no longer able to do so.

Menu Price Increase Would Impact Visits

Dine-In
Takeout



Impact of Menu Price Increases on Willingness to Visit



Gen Z Most Price-Sensitive of All Diners

Similar to 2022, Gen Z is the most sensitive to price hikes, with 40% reporting that increases would *significantly* impact their interest in dining in, versus just 26% of Boomers who said the same. This also holds true when it comes to ordering takeout: 37% of Gen Z reported that price increases would have a *significant* impact versus 26% of Boomers.

These numbers aren't surprising, given that most Gen Zs have less disposable income than older Americans. This group is particularly vulnerable to economic shifts, which is key for restaurateurs to remember, since Gen Zs are valuable customers who spend more at restaurants than any other age demographic.

Maximum Price Increase Diners are Willing to Tolerate

11%
Dining in at an FSR

10.5%
Ordering takeout/delivery from an FSR

10.4%
Dining in at a QSR

10.3%
Ordering takeout/delivery from a QSR

For a Palatable Price Increase, Stick with 10%

With expenses way up from just a few years ago, it's unsurprising that menu prices have steadily climbed over the past year. However, it turns out that restaurateurs only have a window for a 10 to 11% increase before diners will be deterred from visiting their venue. QSRs should be even more cautious when raising prices, as Americans expect these restaurants to be more affordable and are therefore less forgiving of price increases.

"Prices have gone up, so we have to take into consideration how many times we're going to eat out during the week, where we're going to go, and how much it's potentially going to cost us."

(Female, 55, Houston, TX)

Long Waits = Lost Appetites

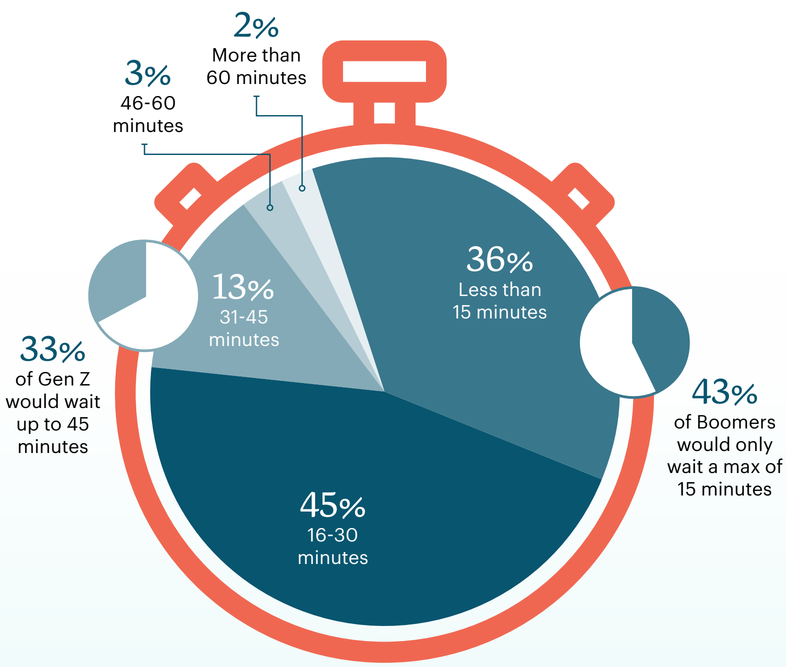
Having to wait more than 25 minutes for a table is a big deterrent for U.S. diners. In fact, the average time diners will wait is just 22 minutes. Even that's a stretch for some, with 36% reporting that they'll only wait 15 minutes for a table.

Boomers seem to be the tightest on time, with 43% saying they'd only wait a maximum of 15 minutes for a table. In contrast, Gen Z is much more willing to hang around. But regardless of the generational differences, it's clear that delivering speedy service and keeping wait times under 25 minutes is essential to keeping the majority of diners happy.

Slow Delivery Orders Cause Frustration

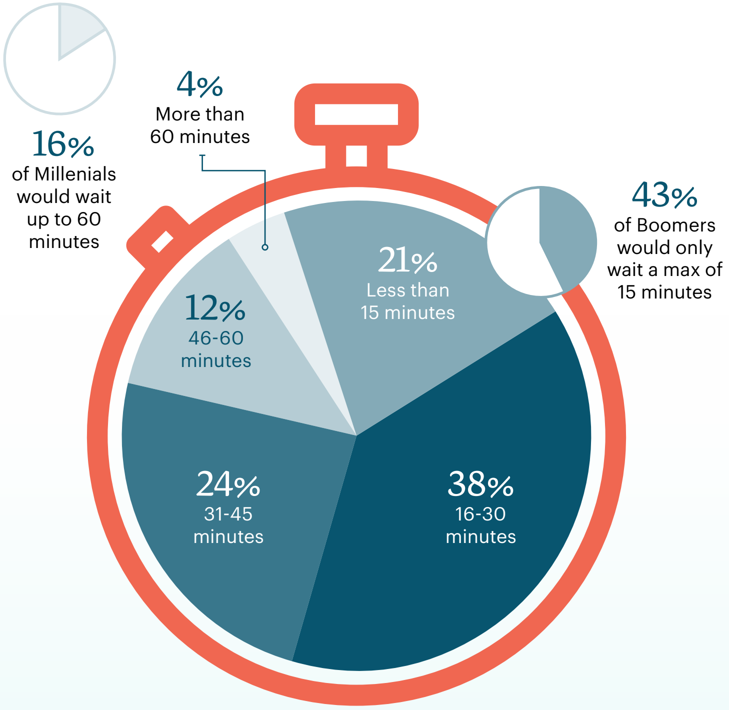
The dining room isn't the only place customers don't want to be kept waiting for food. On average, U.S. diners say they would wait a maximum of just 30 minutes before canceling a delivery order. And that's being generous, considering 21% will only wait a maximum of 15 minutes.

Similar to the data on dining in, Boomers are the tightest on time, with 28% reporting they would only wait a maximum of 15 minutes for delivery. Millennials tend to be more patient, with 16% saying they would wait up to an hour. For restaurants with an older clientele, it's clear that getting delivery orders out the door quickly should be a top priority.



22 Minutes

maximum amount of time diners would wait for a table, on average



30 Minutes

maximum amount of time diners would wait for delivery before canceling it, on average

Biggest Deal-Breakers

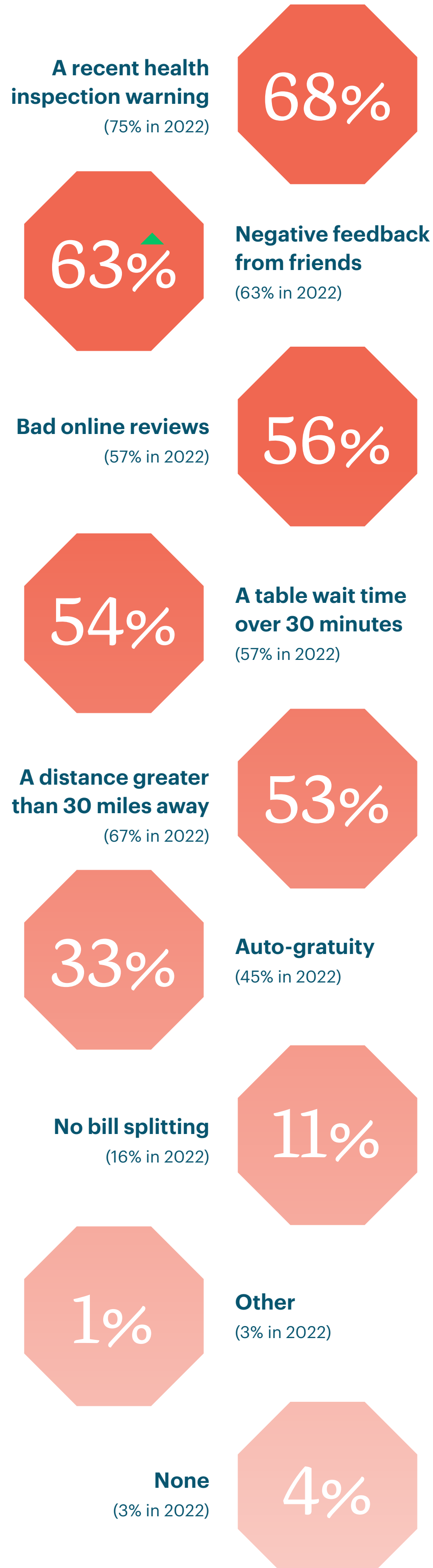
Word of Mouth Matters More Than Ever

Unsurprisingly, a health inspection warning tops the list of restaurant deterrents, with 68% saying they would be deterred by this. However, what *is* surprising is that a similar amount of diners (63%) say they would be deterred by negative feedback from friends.

These figures are even more striking among younger generations, with 64% of Gen Zs reporting they would be deterred by a health inspection warning and 63% of Gen Zs also reporting that they would be deterred by bad online reviews. Millennials were almost equally turned off by these two factors, with 60% deterred by health inspection warnings and 57% deterred by bad online reviews.

The lesson for restaurateurs? Cleanliness and positive feedback (online and by word of mouth) are both critical to maintain in order to keep diners coming in.

Restaurant Visit Deterrents



"I think about food safety for sure. Anything that might be a potential health board violation would give me pause."

(Male, 39, Chicago, IL)

Incorrect Orders Cause Takeout Woes

Diners may enjoy speedy service, but they don't want it to come at the expense of quality or accuracy. After all, no one likes to wait for takeout only to have the wrong order arrive. So it's no surprise that Americans' number one frustration – by far and across generations – when ordering takeout or delivery, is an inaccurate order (42%). Other factors do matter, too, though. For 20% of diners, food being cold is a big frustration when it comes to takeout. For operators, it's clear that ensuring a consistent customer experience is paramount, which may mean simplifying the menu or optimizing their overall operation for greater efficiency.

"I've been less than satisfied with some of the apps because often it takes much longer than what's expected and then the food that you get is cold."

(Male, 45, Los Angeles, CA)

Biggest Frustrations When Ordering Takeout/Delivery

Order is **inaccurate**	42%
Food is **cold**	20%
Order is **not ready** upon arrival	12%
Lack of **dedicated pickup areas** or line	4%
Inability to **schedule the order** in advance	3%
Other	2%
None	16%

How Diners Engage: Loyalty & Communication

Competition is fierce in the restaurant industry, which is why it's critical that restaurateurs keep their venue top of mind with diners, all the time. And on the topic of keeping diners engaged, loyalty programs are more important than ever before, as they've only grown in popularity in the past year – especially among middle-aged diners.

Loyalty & Rewards

Personalized Rewards, Please!

Reward program usage is on the rise in the U.S., with a whopping 46% of American diners reporting that they are currently part of a loyalty program, versus 36% in 2022. Interestingly, Gen Xers have the highest rates of membership at 50%, while Boomers and Gen Zs are the lowest at 42%.

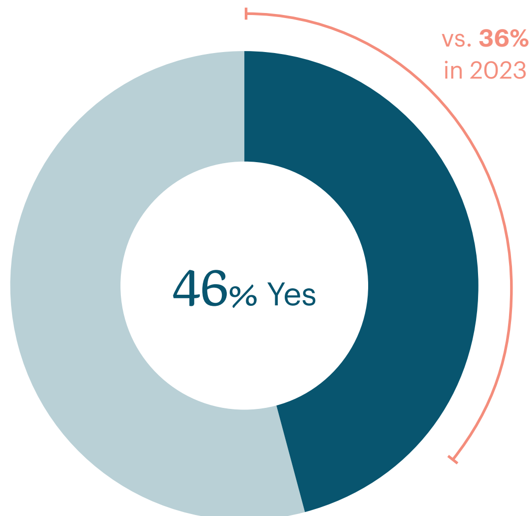
But while loyalty program membership is up, it doesn't tell quite the whole story. In interviews with diners, many reported that the perks loyalty programs offer don't have a huge influence over enticing them to join a program in the first place.

What does matter? Diners say they want to have control over the rewards offered, like allocating their cash back or points toward an item they actually *want* to order, rather than a generic free item. In fact, 42% of diners are most influenced to join a loyalty program if it offers the ability to earn free or discounted menu items they habitually purchase, rather than something they would never order. They also want to be able to redeem points in a reasonable timeframe, and are deterred from joining or using loyalty programs if it takes too long to cash in.

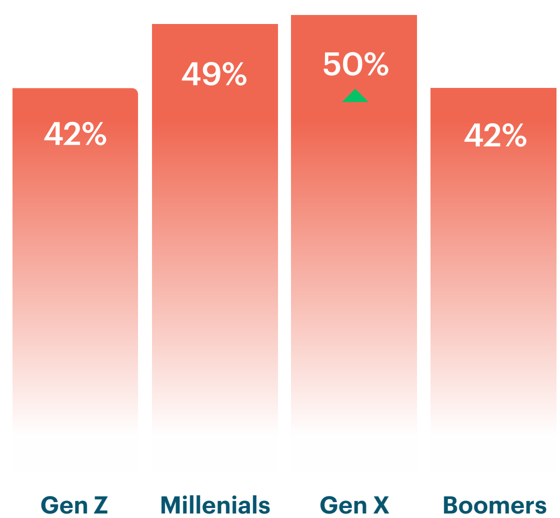
Diners are also deterred from joining loyalty programs that don't deliver real, tangible benefits. For instance, only 6% of diners would join a loyalty program to get access to the latest updates from a restaurant, making it the least enticing offering.

Loyalty Program Membership

Are you a member of any restaurant loyalty programs?



Loyalty Members by Age *(% Yes)*



"My first preference would be cash back, second would be points, and third would be a free item or something. With loyalty points, sometimes it just takes forever to earn enough to actually redeem [them] so you kind of lose the excitement."

(Female, 37, San Francisco, CA)

QSRs Take the Lead on Loyalty Programs

So where exactly are diners participating in loyalty programs? This year's data shows they're much more likely to be a member of a QSR loyalty program for a chain restaurant than any other type of restaurant. In fact, 81% of Americans have loyalty memberships with QSRs versus 63% with FSR chains. However, nearly a quarter (23%) are members with at independent, non-chain restaurants, signaling an opportunity for even more of these businesses to start their own reward programs.

Among loyalty program members, 34% engage with these programs once a week or more often, while 45% engage at least once a month, suggesting that there is a lucrative group of power loyalty users who engage with these programs relatively often.

"It's 50/50. I'm a member at quick service and sit-down restaurants."

(Female, 55, Houston, TX)

Member of Restaurant Loyalty Program by Restaurant Type

82%
Quick service chains

63%
Full-service chains

23%
Local/Independent restaurants

Frequency of Engaging with Loyalty Programs

Daily
7%

A few times per week
16%

Once a week
12%

engage once a week or more often
34%

A few times per month
29%

Once a month
16%

Once every few months
17%

Rarely, if ever
3%

“Since I'm part of a family of five, the first thing I take into account are rewards, programs, and coupons that I have. If my family is adamant on one place, I like it to be at least somewhere where we could get points or there's a discount like a free kid’s meal with an entree, or you get 10 points for every dollar spent.”

(Female, 29, New York City, NY)

Cash and Points are Preferred Perks

Money talks! The majority of American diners (56%) prefer receiving cash back or points-based rewards from loyalty programs, but 49% also appreciate item-based and promotional rewards.

On the other hand, subscription-based rewards received mixed reviews, with only 13% of diners reporting that they liked this reward type. However, responses varied by generation. Among Gen Zs, 36% appreciate subscription programs (like an unlimited number of coffee refills for a monthly fee), while only 4% of Boomers like them. This may be because Gen Zs dine out more frequently, so they can make better use of reward programs that offer perks for more frequent visits.

In short, American diners view loyalty programs as a way to supplement their spending at restaurants, and therefore expect to receive discounts and free items for being a member. However, extra perks, such as additional customization opportunities, early access to new items, and more ordering options, can help to further entice Gen Zs, Millennials, and loyalty program members.

Types of Rewards Diners Prefer

56%
Cashback/discounts

56%
Points-based rewards

49%
Promotional rewards (i.e. BoGo)

31%
Item-based rewards

13%
Subscription-based rewards

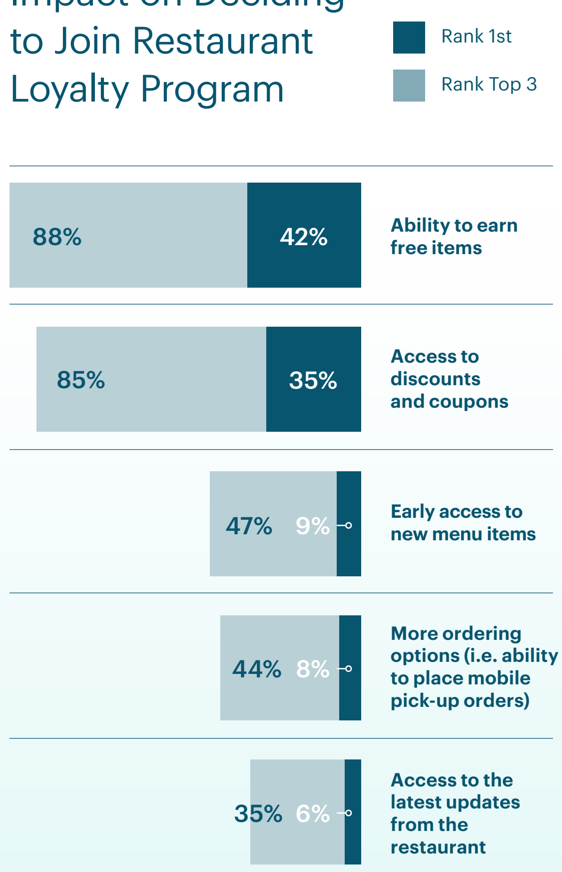
8%
None

Rewards Alone Aren't Enough

Despite the fact that more Americans are joining loyalty programs, these programs aren't hugely influential when it comes to how consumers decide where to dine. Instead, the service experience (66%), price (66%), and quality (67%) are all top of mind when selecting a restaurant.

In other words, since consumers often belong to many reward programs, it doesn't necessarily matter where they go to eat – they can likely earn points almost anywhere. With this in mind, it's critical for restaurateurs to market their loyalty programs well and present them to consumers at the right time in the buyer's journey. And since most loyalty programs are digital, this is easier than ever.

Impact on Deciding to Join Restaurant Loyalty Program



Communication Trends

Stick to Email for Communication

When it comes to staying in touch with restaurants, diners prefer to do so from their inboxes. The majority of U.S. diners (53%) prefer to hear from restaurants by email, while only 3% want to receive push notifications. It's also worth noting that among younger diners, 36% of Gen Zs prefer to hear from restaurants via social media, suggesting different touch points may be necessary for different types of diners.

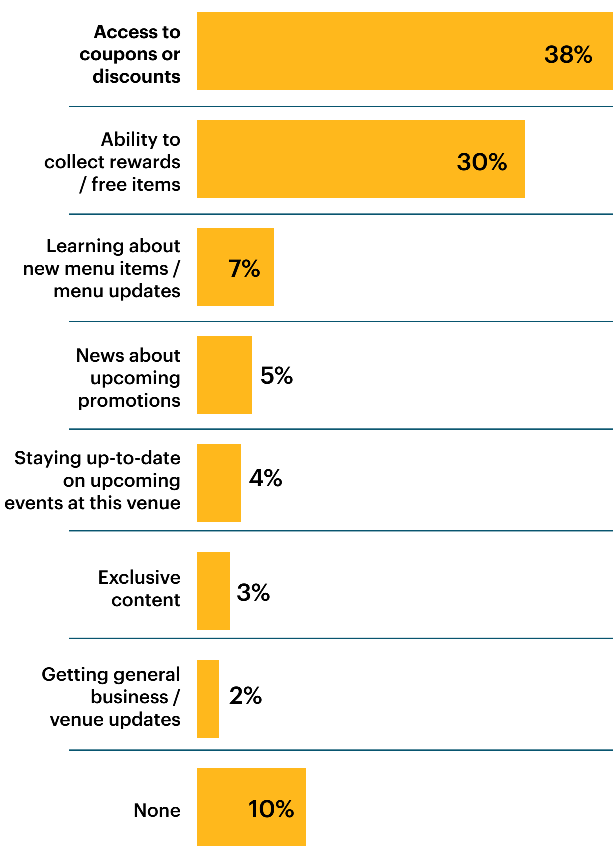
Preferred Way to Hear from Restaurants

Email Dos and Don'ts

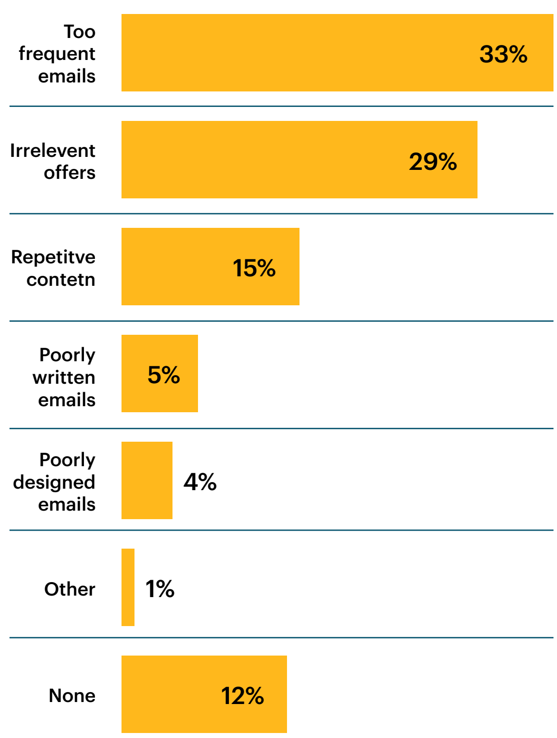
Similar to 2022, 38% of American diners would be influenced to subscribe to a restaurant's email list for access to coupons and discounts – the kinds of offers that so many diners crave.

While it's certainly a smart move for restaurants to use email marketing to inform customers about deals and special promotions, operators should keep in mind that Gen Z is the only generation of diners interested in updates on events and general venue news, so this information should be included sparingly. This is crucial considering that 33% of Americans, including loyalty members, would unsubscribe if they received too many emails and irrelevant offers. And, younger Americans are even more sensitive to repetitive content.

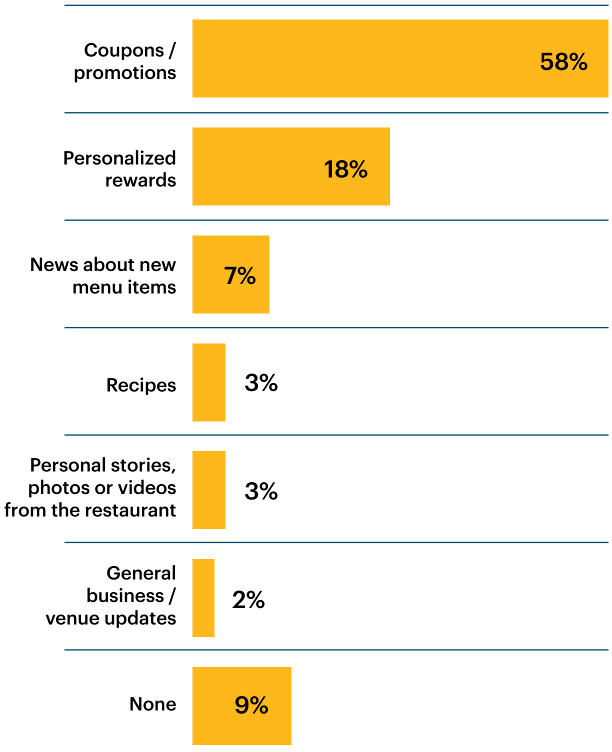
Influences to **Subscribe** to Restaurant Emails



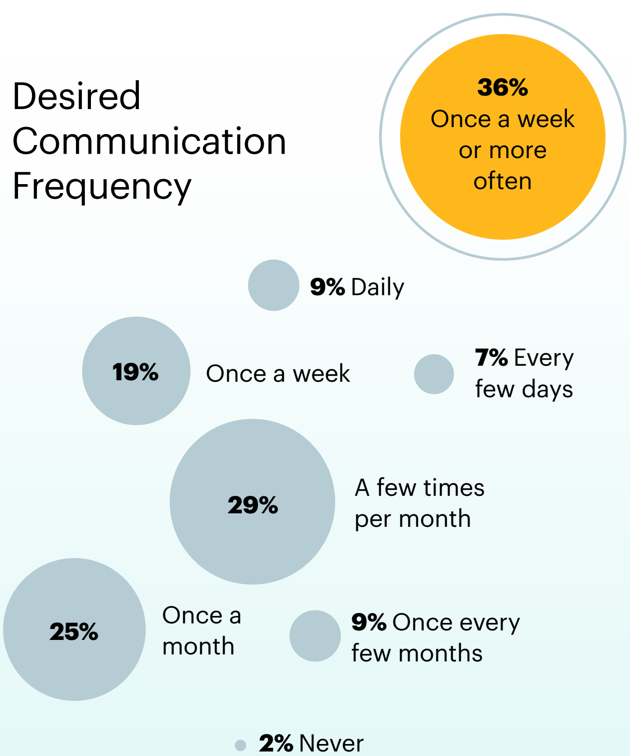
Reasons to **Unsubscribe** from Restaurant Emails



Influences to Open Restaurant Emails



Desired Communication Frequency



Diners Tend to Prefer General Offers

While offers are certainly helpful in encouraging Americans to open emails in the first place, it turns out that most diners don't care too much if the offers are specific to their exact preferences. In fact, only 37% of diners prefer receiving communications with personalized offers, while 63% prefer general offers. This may be partially due to diners' concerns about how restaurants collect and use their data and how personalized offers are generated. While Gen Z and Millennial diners are more likely to enjoy receiving personalized offers than other demographics, this is not the case by a huge margin (45% of Gen Zs and 45% of Millennials prefer personalized offers).

Among diners who *do* want personalized offers, 74% would like to see offers based on their past order history, suggesting that it might be worthwhile for restaurants to offer some kinds of personalized rewards, especially for their most valuable loyalty members.

37%

Prefer **personalized** offers

63%

Prefer **general** offers

“I love myself a good coupon – doesn’t really matter what it is. I actually have an example. I’ve been a T-Mobile customer for about a year now and I recently discovered T-Mobile Tuesday, where they gave me a coupon for a $1.00 Panda Express Bowl. I don't ever go to Panda Express because it’s in a very busy area and the food is expensive. But I know the food is good, so I went and got this little rice bowl and I loved it. If it wasn't for that promotion, I would have never gone out of my way.”

(Female, 29, New York City, NY)

Emerging Diner Trends

We've now taken a deep dive into the evolving landscape of diner preferences and behaviors. While certain trends are becoming unmistakably evident, others are only just starting to take shape. The restaurateurs who keep an eye on these trends and adjust their businesses accordingly will be the ones leading the pack in the years to come.

Here are five emerging diner trends to watch, plus the key takeaways for restaurateurs.

1 Menu Price Increases Due for a Pause

Inflation has decelerated over the past year, but consumers are still feeling the effects of cost of living increases (plus new pressures from rising debt levels, reduced savings, and the compound impact of inflation) and, as a result, their appetite for menu price hikes has evaporated. While diners are still eating out, they're doing so less frequently because of price increases.

If menu prices continue to rise at a rate faster than inflation, the reality is that fewer diners will be visiting restaurants. In fact, 31% of Americans say a price hike would *significantly* impact their choice to dine at a particular restaurant – and that number jumps to 40% among Gen Zs specifically, which is the group that dines out the most.

Takeaway for Restaurants

Restaurateurs have been fortunate that diners have absorbed price increases until now, but in 2024, they'd be wise to look for other ways to manage costs and should be especially cautious about introducing any new service fees. The message from diners is clear: restaurants shouldn't raise their menu prices by more than 10%, as that is the highest increase most consumers say they can absorb.

2 Rethinking the First Touch

Every business needs to strike a balance between keeping current customers happy and attracting new ones, and restaurants are no exception. When it comes to the latter, this year's data shows that one of the first things diners do before visiting a new restaurant is to look at the menu online – 85% do this most of the time.

This is big news for restaurateurs, especially those who haven't paid a ton of attention to their website and online presence in the past. Since a potential customer's first experience with a restaurant is now a website visit, this means it's time for restaurateurs to show some love to their digital real estate.

Takeaway for Restaurants

Today's operators must think carefully about every aspect of their website – from how it ranks in Google searches to whether the user experience is intuitive. Leaving these items up to chance means restaurants will risk losing potential customers. Instead, restaurateurs should hire the expertise required to ensure their digital presence is as impressive as their food.

3 Speed Without Sacrifice

The ease and speed of food delivery apps have significantly impacted diners' expectations – they're no longer content to wait. Less than 40% will wait between 16 and 30 minutes for delivery, and 21% won't even wait a full 15 minutes. This number jumps to 43% among Boomers.

Mobile point-of-sale systems and other technology can increase restaurants' speed of service and keep diners happy. And while Americans still have a strong preference for using physical menus and placing their orders with servers, some do see the benefit of automating the ordering process if it means faster service. However, it's important to note that the biggest frustration among U.S. diners is receiving the wrong order. So, speed shouldn't trump quality.

Takeaway for Restaurants

It's a race to meet customer expectations – literally. Despite this reality, restaurants must ensure that the convenience takeout provides is not undercut by mistakes that force diners to spend time correcting the order or settle for the wrong meal.

4 Technology, But With a Human Touch ("Tech Lite")

While diners appreciate advancements in restaurant tech (like online ordering), they don't want a fully automated customer experience. Considering that most diners (85%) prefer to order from a server and that even most Gen Z diners (64%) call in to make a reservation, it's clear that diners still want human contact as part of the customer experience at restaurants.

Engaging with customers on their terms is reason enough to heed this trend, but there are other reasons, too. Americans have concerns about how technology may alter their dining experience, like the ability to ask questions, customize orders, and get meal recommendations without a physical menu or conversation with a server. Others are strongly put off by QR code menus due to the size of the text on screen, the consistent scrolling required, and the fact that these menus cause people to have their faces in their phones.

Takeaway for Restaurants

Staying on top of industry innovations and being open to technological change is smart. However, when considering which new tech to implement, think about it from the customer's perspective. Does it enhance their dining experience or take away from the convenient – yet human – experience we know they desire?

5 Loyalty Programs Built for Power Users

Reward programs are on the rise, with membership among U.S. diners at 46% this year (up from 36% in 2022). This number jumps even higher for QSRs specifically, with 81% of Americans reporting that they belong to a QSR loyalty program. This trend is particularly noteworthy because the most frequent diners are loyalty program members, with 47% of loyalty members dining out weekly or more often (8% more than the average) and 49% getting takeout/delivery with the same frequency (6% more than the average).

In 2024, restaurateurs should focus on their "power loyalty users" – the most active and highest spending reward program members. According to research from Paytronix, half of all loyalty visits come from the most active 10% of members, and according to QSRweb, 80% of restaurants' revenue can come from their top 20% of customers. And, given that most diners are unable to absorb additional price increases in 2024, focusing on encouraging your most loyal customers to visit more frequently and spend more during those visits is a great way to boost revenue without price hikes.

Takeaway for Restaurants

All restaurants – especially QSRs – should focus on engaging their power loyalty users to reap the rewards of loyalty programs. The key is to offer personalized rewards, like the ability to earn cash back or allocate points toward an item diners *want* to order, rather than a generic free item. The timing of these offers may also be crucial as diners appear to be visiting QSRs later than in the past and visiting FSRs earlier than in the past.

Conclusion

Economic uncertainty will keep both diners and restaurateurs on their toes in 2024, as Americans watch their spending while they wait to see whether inflation will continue to drop. The good news? Consumers are still dining out. They're just more sensitive to price increases than they were in 2022, and they want to make sure the customer experience at the restaurants they choose to visit is worth the cost. This is critical for restaurateurs to remember.

For savvy operators, shifting diner trends present a moment of opportunity. By responding to these changes, restaurants can create stronger and more long-lasting connections with their guests, leading to more loyal regulars choosing their venues.

There's a lot to celebrate within the hospitality industry in 2024. Diners have made it clear they want to interact with restaurants and servers, rather than automated or third-party platforms. This means restaurateurs have a direct line of communication with customers – one that can help them better understand and proactively meet the needs of discerning diners. The operators that rise to the challenge will be the ones with success on the menu in 2024.

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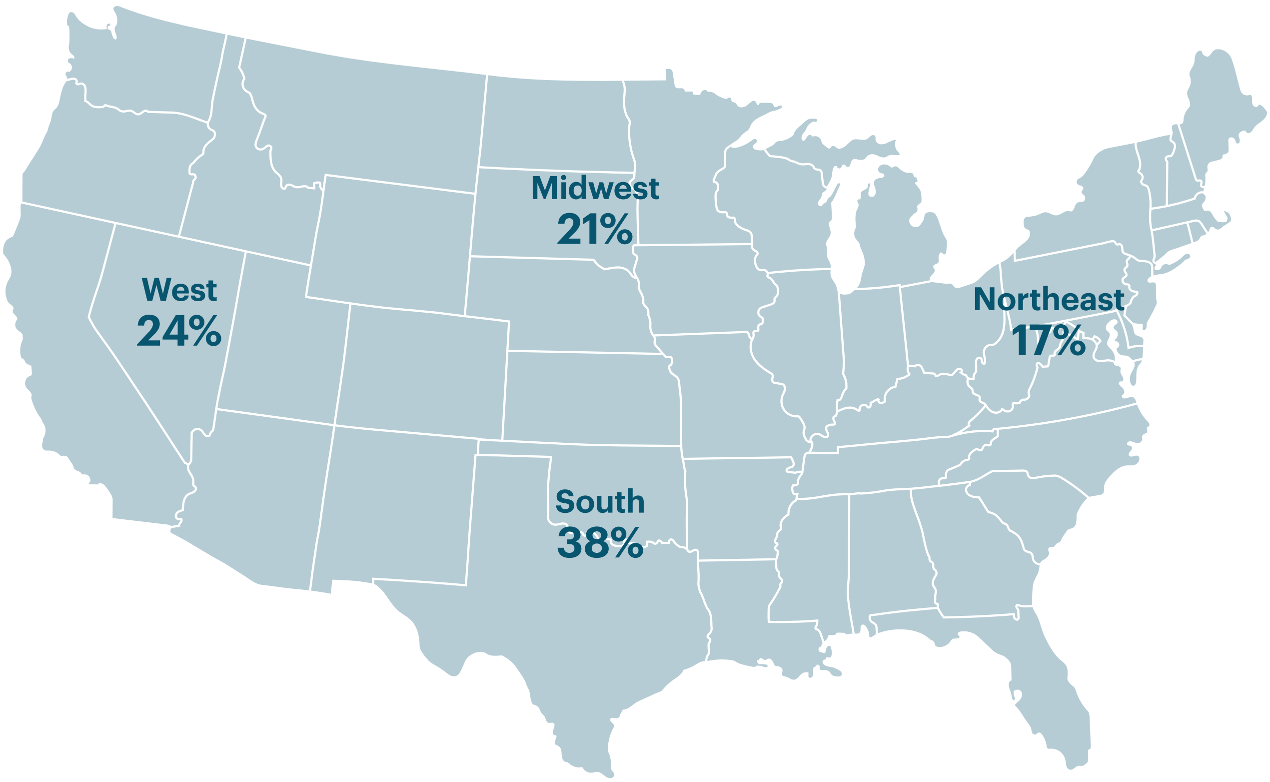
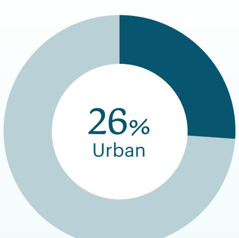
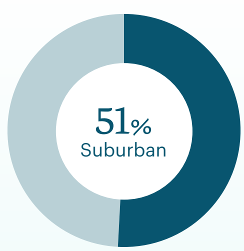
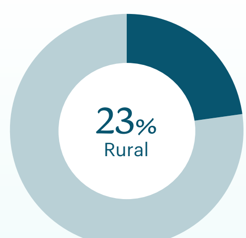
Respondent Profile









Gender

49% male

51% female

Age

18-34: **29%**

35-54: **33%**

55+: **38%**

Income

<$50K (NET): **30%**

$50K - $99K (NET): **36%**

$100K+ (NET): **30%**

Undisclosed: **4%**

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