

STATE OF THE RESTAURANT INDUSTRY

An overview based on the quick-service, fast-casual, casual dining, fine dining restaurant category

Truth Research & Insights

February 2026

What to Expect

The restaurant industry continues to evolve, sitting at the intersection of convenience and meaningful experiences for consumers. From quick weekday meals to intentional dining, restaurants play a constant role in how consumers spend their time, money, and attention.

This overview examines four key restaurant categories shaping the industry today and how economic and cultural forces are influencing consumer behavior. By first assessing broader industry dynamics, we can better understand the unique trends and pressures within each restaurant category that will continue to shape the market.

The U.S. Restaurant Industry Continues to See Growth

The foodservice market includes full-service and limited-service restaurants.

U.S. Market Size
(2025)

\$1tn

*Estimated value of the
total foodservice market*

Growth Rate
(2023-2024)

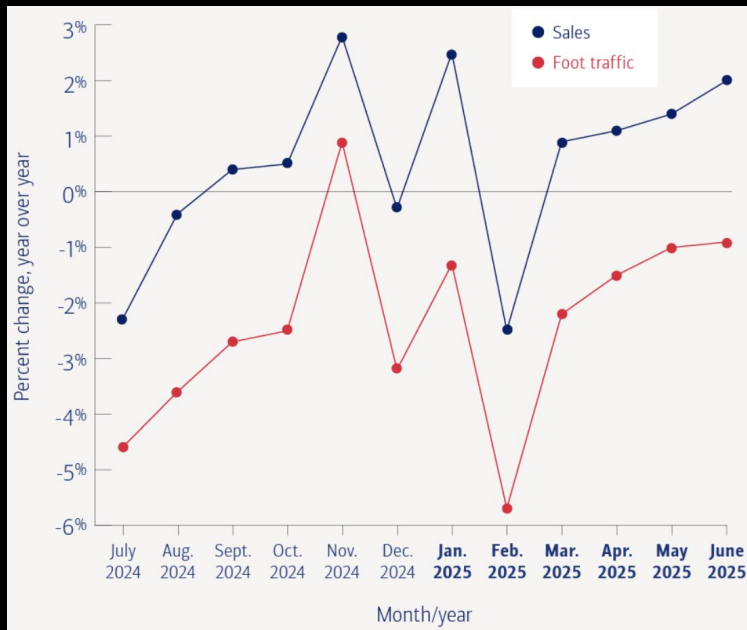
+7%

Long-term Growth
(2025-29)

+18%

*Rev. growth expected to
reach **\$1.3tn in 2029***

Sales and Foot Traffic Are Rebounding After an Early-Year Dip, in 2025



The restaurant category saw a sharp dip in February 2025, when sales fell down to -3% YOY, and in-store visits dropped to a -6% YOY.

Both metrics have steadily recovered over the following four months, with sales rebounding to ~+2% and foot traffic improving to around -1% by June, 2025.

Foodservice traffic continues to fall as consumers cut costs

FoodBusinessNews 11.17.2025 By Caleb Wilson

These Rising Menu Prices are Impossible for Consumers to Ignore

Restaurant prices
rose 3.7% YOY in September,
per the US Bureau of Labor Statistics.

82%

Of consumers say restaurant prices have “increased noticeably” in their area over the past year.



Discretionary Spending Is Slowing Down Among Consumers

54%

Of consumers have changed their consumption habits to save money.

37%

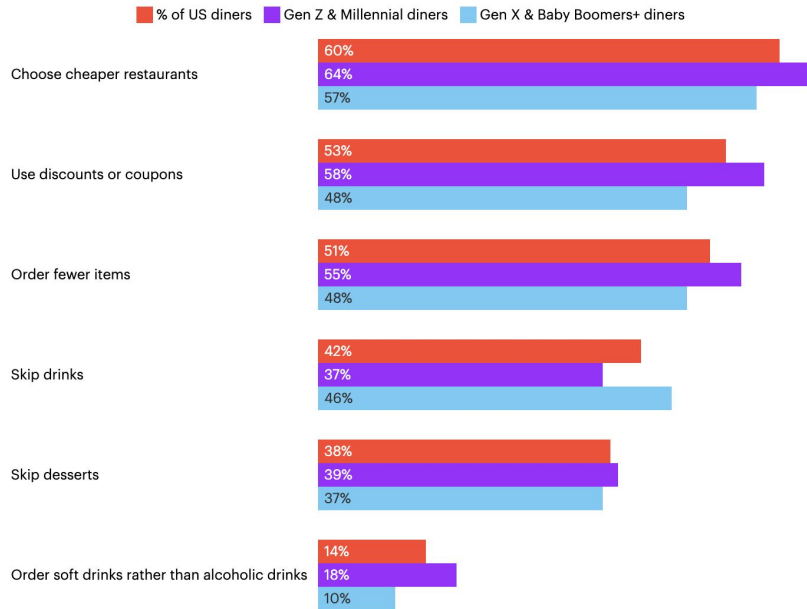
Of consumers say they are dining out less than last year.



This shift has created a downward chain reaction in which higher and middle-income consumers are trading down to less expensive restaurants, while many lower-income consumers have pulled back on dining out altogether.

Ultimately, Causing Consumers to Become More Selective with Their Dining Choices

How have you changed your preferences when you eat out to spend less money? (% of US diners who have altered their dining preferences)



Dining behavior is becoming more intentional, and value-driven as consumers actively manage costs without fully opting out of eating out.

Six in ten U.S. diners (60%) are choosing cheaper restaurants, indicating consumers are trading down rather than giving up dining out altogether.

More than half of diners (51%) are limiting how much they order per visit to keep spending in check.

Dining Out Is Reserved for Experience Seekers Looking for Unique Menu Offerings

>60%

of diners plan to maintain their spending on restaurants in 2025.

58%

of those eating out less say it's simply too expensive.

50%

of consumers planning to dine out more next year are doing it to treat themselves.

41%


of diners prefer mixing and matching snack items to build a meal.

40%

of diners want to see more tasting menus at restaurants.

40%

are interested in tabletop cooking experiences.



“Americans still enjoy dining out, but value has become the deciding factor shaping where and how they choose to eat. As costs continue to rise, consumers are becoming more selective, and **restaurants that pair affordability with loyalty rewards, and smart digital engagement will come out ahead in 2025.**”

– Nora Hao, senior sales director for YouGov America

Four Key Categories in the Restaurant Industry

**Quick-Service
Restaurants**

**Fast-Casual
Restaurants**

Casual Dining

Fine Dining

Limited-Service
Restaurants

Full-Service
Restaurants

Four Key Categories in the Restaurant Industry

Limited-Service Deep Dive

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Restaurants**

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Casual Dining

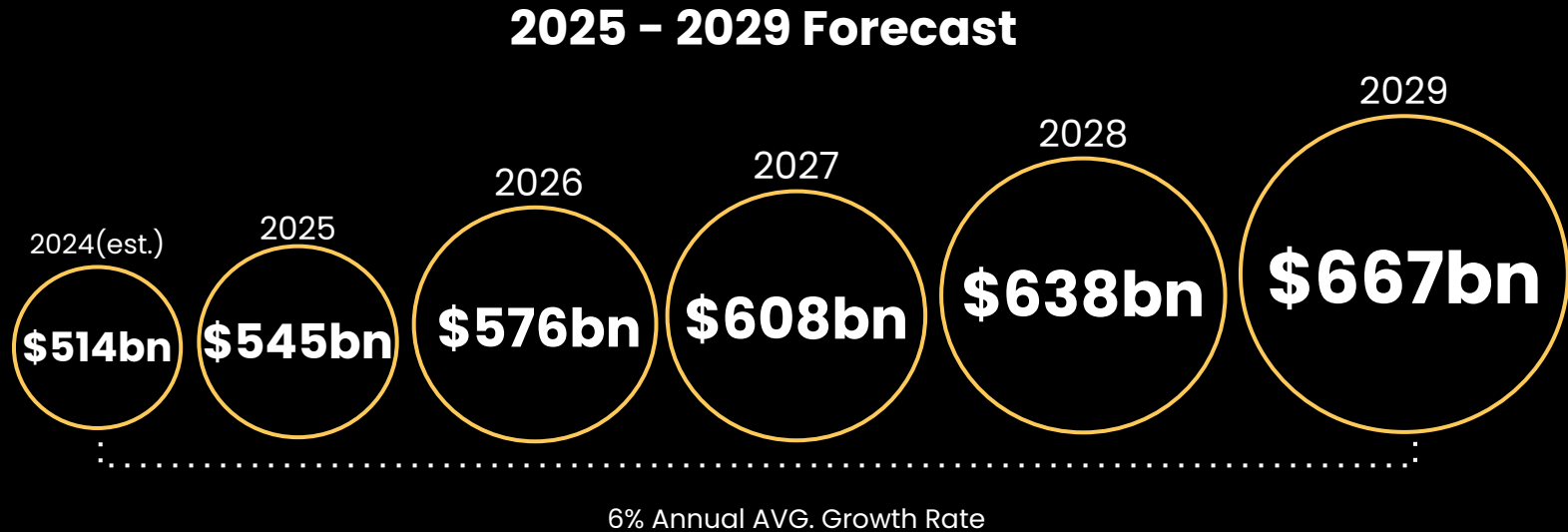
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Forecasts Point to Consistent Year-Over-Year Gains for Limited-Service Restaurants

US: total retail sales and forecast of limited-service (QSR and fast-casual restaurants) eating places, at current prices.



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Casual Dining

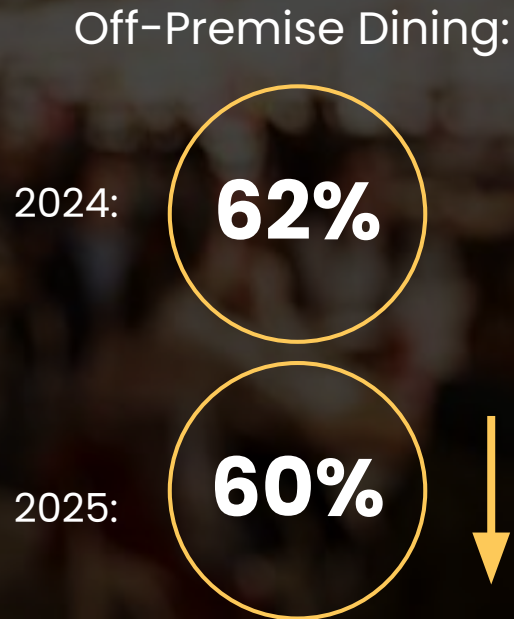
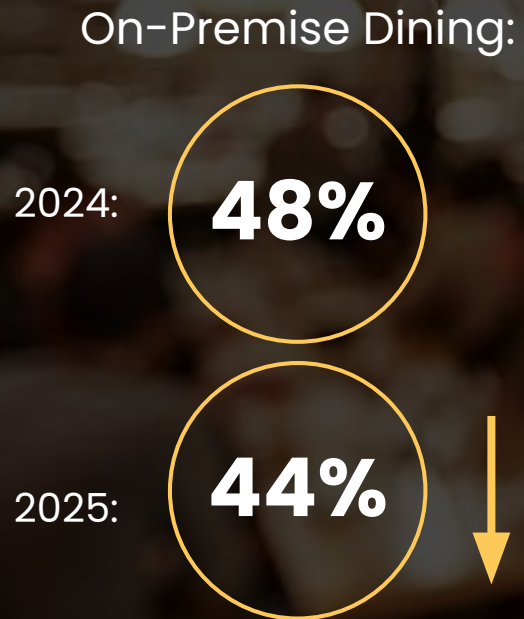
Guests order and are served at the table. They offer a relaxed, approachable atmosphere while remaining more accessible and less formal than fine dining (ex. Chili's, and Olive Garden).

Fine Dining

Elevated service, a formal atmosphere, and premium menu offerings. Delivering an upscale experience centered on high-quality ingredients, expert preparation, and a curated selection of alcoholic beverages.

Year-Over-Year Declines are Evident Across QSRs

QSR engagement declined YOY with on-premise dining down 4pts and off-premise ordering down 2pts.



QSRs are Navigating a Period of Demand Pressure




QSRs experienced a **3.4% decline** in traffic visits in August 2025, compared to August 2024.

Fast food giants face declining foot traffic amid economic pressures

📅 28 May 2025

food chain
magazine

McDonald's reported a **3.6% decline** in US same-store sales in the first quarter of 2025.

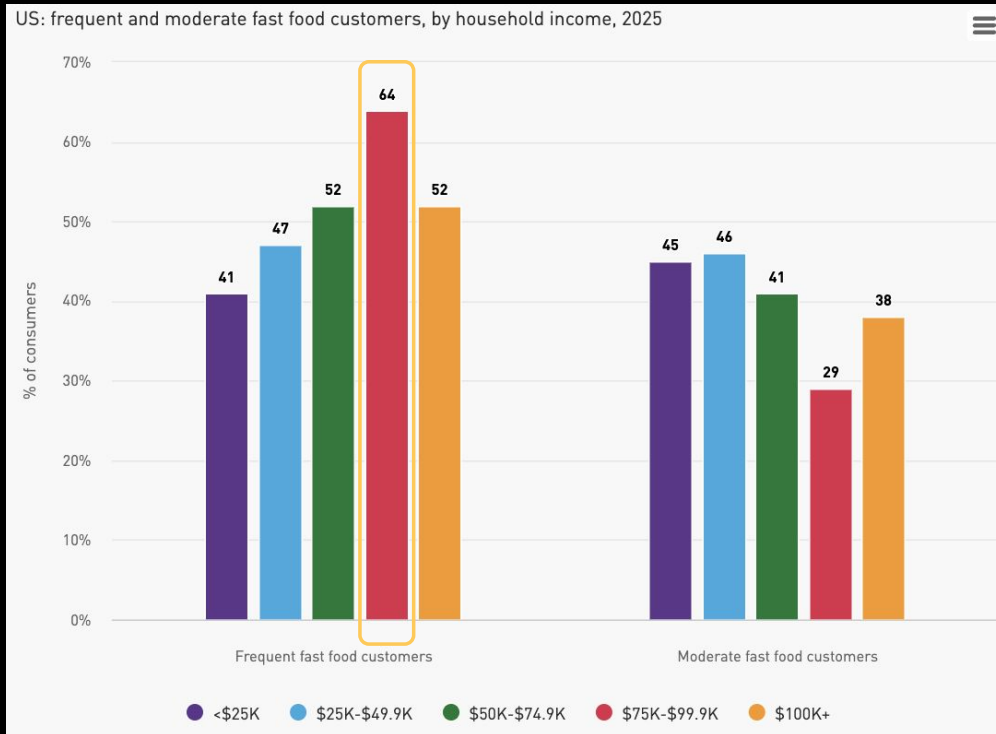


Notably, Quick-service
restaurants still remain the **top
choice** for off-premise dining
among all restaurant categories.

60%

Off-premise QSR dining 2025

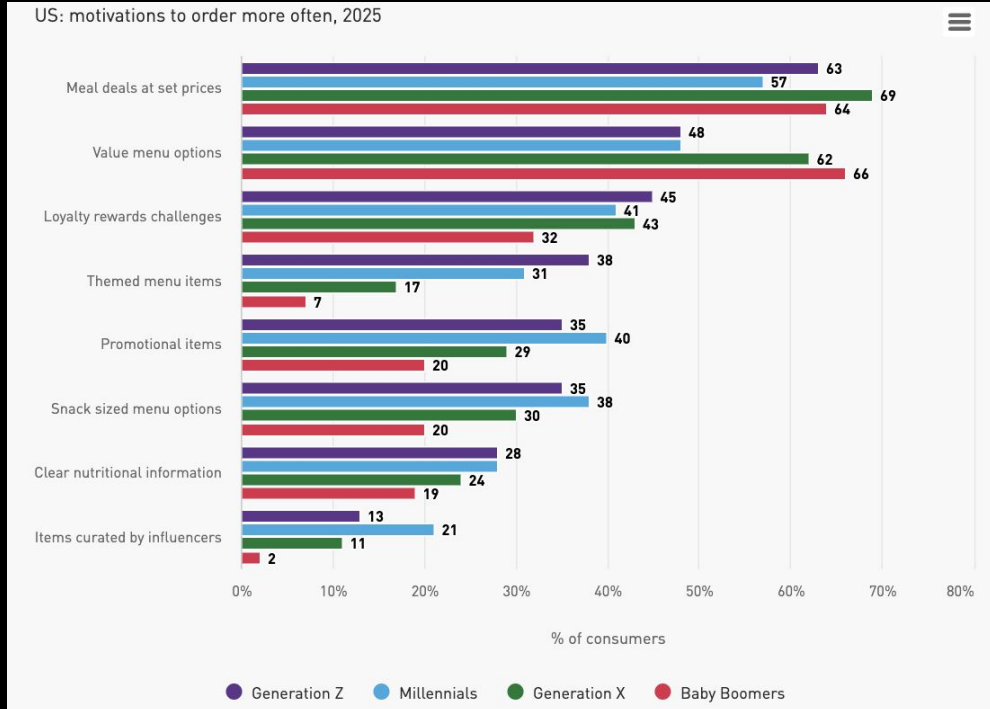
Higher-Income Consumers Are Fueling QSR Traffic



Frequent fast food visits are most common among higher-income consumers, led by those earning \$75K–\$99K (64%).

Fast food ordering, despite its close association with value, shifts with diners' financial outlook. Yet price sensitivity also makes them receptive to value-driven marketing.

Across Generations, Value and Flexibility Drive QSR Usage



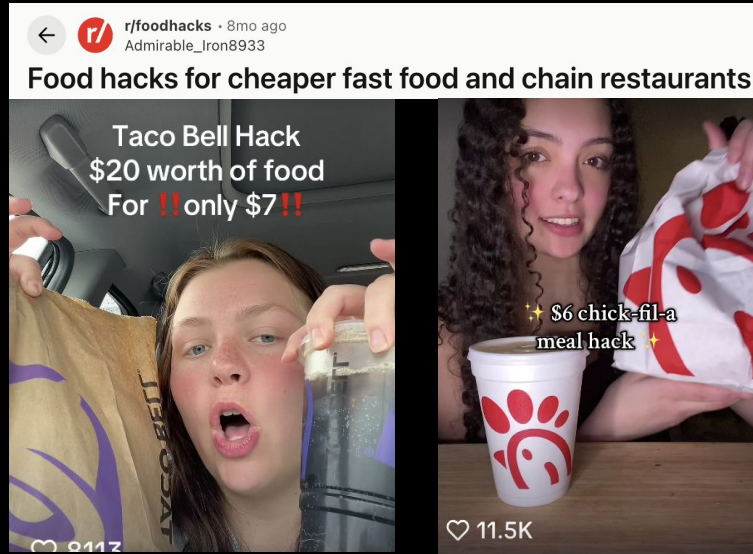
Meal deals at set prices are the #1 driver of increased ordering, motivating ~60–70% of consumers across generations.

Value menu options over-index among older consumers, peaking with Baby Boomers (~66%).

Gen Z (45%) and Millennials (41%) are motivated more by loyalty rewards than Boomers (32%).

As trends shift quickly, brands must focus on creating foodservice experiences that deliver entertainment, connection, and cultural relevance, both in-store and online.

Consumers are Outsmarting the Menu



"Wait for a deal on their app and buy 80+ nuggets from McD's. They freeze beautifully and when reheated at 400 in an air fryer they are better than at the restaurant."

- Reddit

Consumers are becoming more resourceful in response to rising menu prices, actively seeking hacks and workarounds to make dining out more affordable. This behavior signals that price sensitivity is high, but demand remains, with consumers willing to adapt how they order rather than abandon restaurants altogether.

QSRs are Being Tested

What we're seeing is not a pullback from QSRs, but a recalibration of how consumers use them. As foot traffic softens and demand pressure builds, consumers are adapting rather than opting out, shifting trips toward grab-and-go occasions and leaning more heavily on deals, value menus, and ordering strategies to make QSR visits feel worth the spend.

Approaches to Take

Double-down on visible value, not just low price: Consumers are re-calibrating spend, not quitting QSRs, so brands should highlight “worth it” value, bundles, portion transparency, and quality cues, rather than racing to the lowest price.

Make off-premise a core strategy: With QSRs still leading off-premise, brands should optimize pickup, drive-thru, and delivery experiences to be faster and frictionless, since convenience remains their competitive edge.

Turn “menu hacking” into a brand asset: Instead of fighting it, QSRs can spotlight customizable combos and “insider” ordering tips within their apps to stay part of the conversation.

Create micro-occasions for visits: Snack-size menus, late-night deals, and afternoon pick-me-ups align with the shift toward grab-and-go occasions.

Quick-Service Restaurants

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Fast-Casual Restaurants

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Casual Dining

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Fine Dining

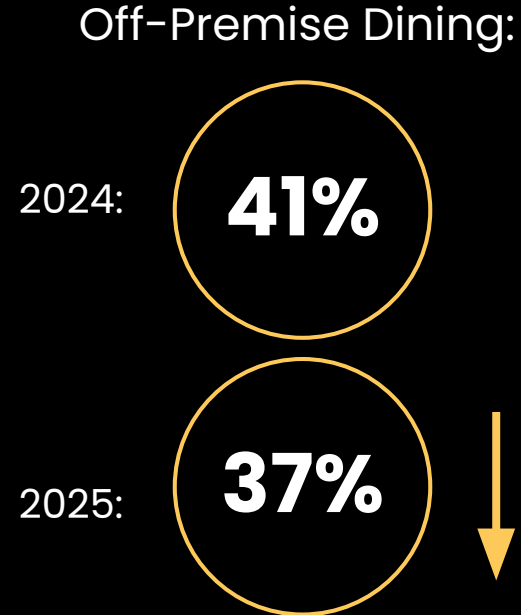
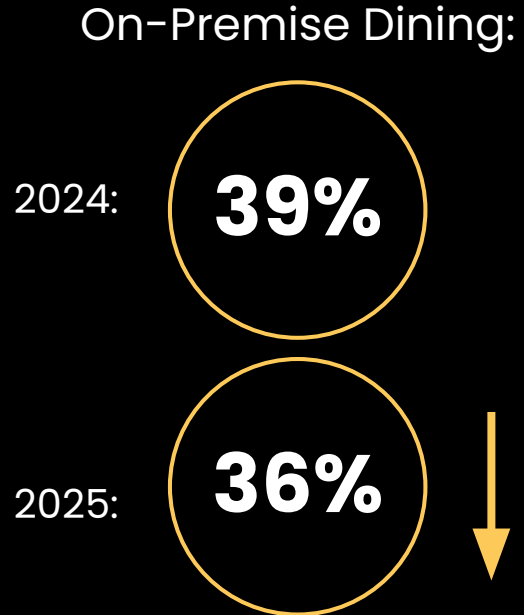
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Fast-Casual Has More Than Doubled Over the Past Decade



However, After Years of Growth, Fast-Casual Visits Are Slowing

Fast casual engagement declined YOY with on-premise dining down 3pts and off-premise ordering down 4pts.



From Price Shock to Portion Disappointment

Original Chipotle Menu

| | | |
|----------------------|---|--------|
| Burritos | → | \$4.45 |
| Steak | → | \$4.25 |
| Chicken | → | \$3.95 |
| Carnitas | → | \$3.95 |
| Fajitas Burritos | → | \$4.55 |
| Steak | → | \$4.35 |
| Chicken | → | \$4.15 |
| Carnitas | → | \$4.15 |
| Barbacoa | → | \$4.75 |
| Tacos | → | \$4.45 |
| Steak | → | \$4.25 |
| Chicken | → | \$4.25 |
| Carnitas | → | \$3.95 |
| Extras | → | \$0.95 |
| Chips & Salsa | → | \$0.95 |
| Guac | → | \$0.95 |
| Cheese or Sour Cream | → | \$0.45 |

2024 Chipotle Menu

| Burrito Bowl Taco Salad | | |
|-------------------------------|---|---------|
| Chicken | → | \$10.45 |
| Beef Barbacoa | → | \$12.20 |
| Steak | → | \$12.20 |
| Carnitas | → | \$11.10 |
| Veggie | → | \$10.45 |
| Sofritas | → | \$10.45 |
| Extras | → | \$2.95 |
| Guac | → | \$2.95 |
| Queso Blanco | → | \$2.95 |



Chipotle menu prices in Florida, circa 2015

This is what they took from you



In 2024, an analyst ordered and weighed 74 bowls from 8 different Chipotle locations.

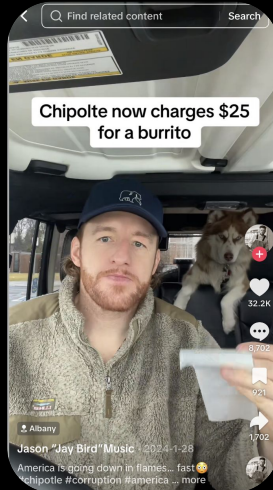
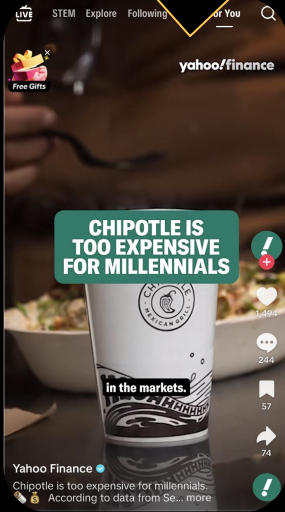
They varied and weighed from **14-27 ounces**.

35%

Of consumers say extra portions of core components **shouldn't cost extra**.

What Once Felt Affordable Now Feels Misleading

*"I get Chipotle and add my own guac."
- Reddit*



*"My meal looks worlds different than what's advertised online, can anyone tell me if this is a usual portion size or if I got unlucky... I feel like I'm missing half the meal."
- Reddit*

Demand Pressure Is Showing Up in Foot Traffic Declines

Traffic visits at fast-casual chains **slowed** from an increase of about **3.3%** in December 2024 down to **1.7%** in October 2025.

48%

Of consumers say they want to see more side menu options.

The fast-casual category is losing steam



Alicia Kelso, Executive Editor, Nation's Restaurant News
December 1, 2025

NRN

IS FAST CASUAL LOSING ITS EDGE? WHAT 2026 WILL LOOK LIKE FOR RESTAURANT OPERATORS

DECEMBER 4, 2025

SYNERGY.
Restaurant Creators

SUNDAY, NOVEMBER 16, 2025

11/16/2025 6:00:00 AM [Share This Episode](#)

Are We in a Fast-Casual Restaurant Recession?

A bowl of fast-casual food, possibly a salad or pizza, is shown on a wooden table. The food is topped with melted cheese and red sauce. The bowl is dark-colored and sits on a rustic wooden surface.

Fast-Casual Is In The Ugly Middle

What began as a convenient, good-quantity, and affordable option has scaled into a segment that is now perceived as priced beyond its original advantage. As costs rise, fast-casual is losing its competitive edge, pushing consumers to either trade down to QSR or trade up to full-service dining.

Approaches to Take

Re-anchor the value equation: Fast-casual doesn't need to be cheap, but it must feel fair. Clear quality cues, sourcing transparency, and portion consistency can justify price points.

Defend the middle by creating reasons to trade up: As price sensitivity pushes some consumers toward QSR, fast-casual must justify why it's worth spending more. By elevating atmosphere, hospitality, and overall experience, brands can reinforce fast-casual as a treat.

Make customization feel included, not penalized: When core components feel "nickel-and-dimed," consumers feel misled. Bundling common add-ons into base prices can reduce friction.

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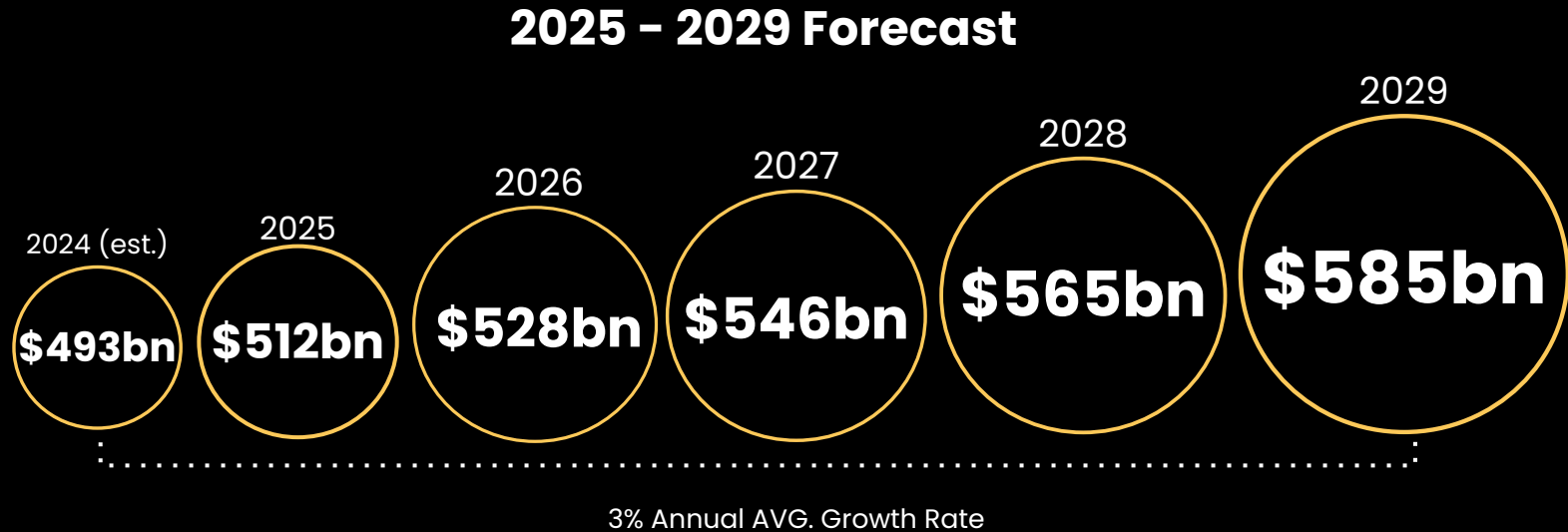
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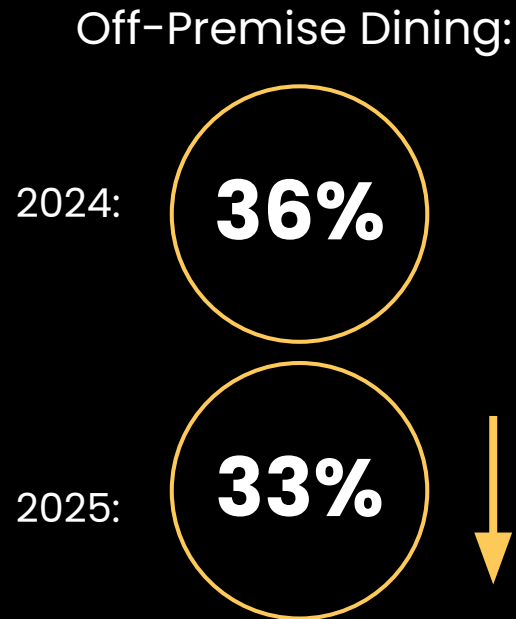
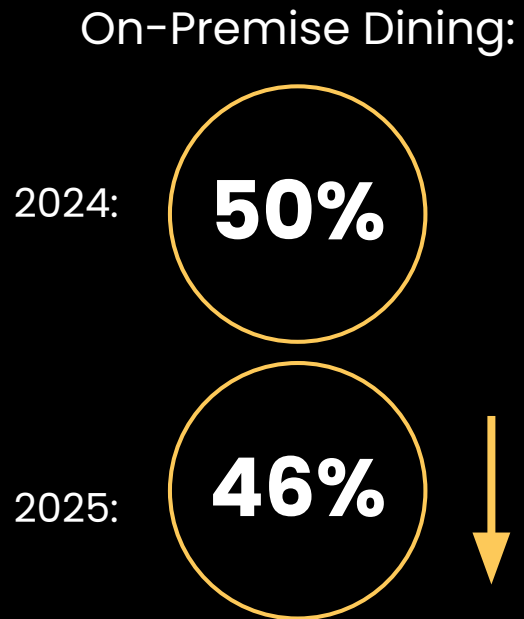
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Casual Dining Experienced a Slight Year-Over-Year Slow Down in Engagement

Casual dining engagement declined YOY with on-premise dining down 4pts and off-premise ordering down 3pts.

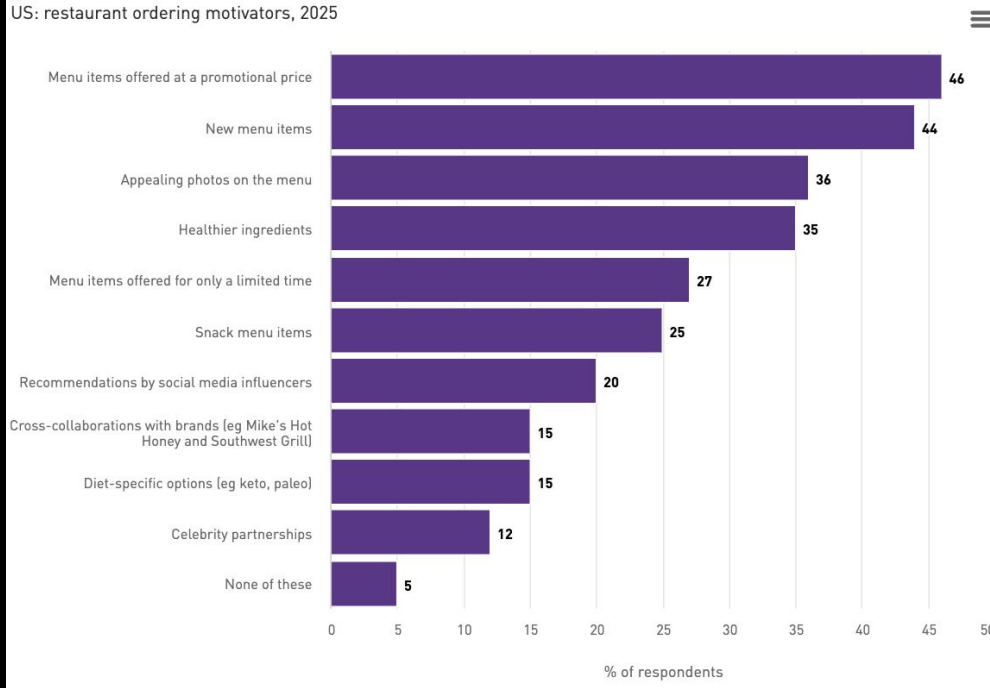


Notably, casual dining remains the **top choice** for on-premise dining among all restaurant categories.

46%

On-premise casual dining 2025

Consumers are Prioritizing Value and Craveability Over Partnerships



Clarity is key in what motivates restaurant ordering, with promotions centered around new items (44%) and appealing prices (46%) rising to the top.

While collaborations (15%) and celebrity tie-ins (12%) may generate interest, they don't have the same influence on actual purchase decisions. They are ultimately driven by what feels worth the price and visually satisfying (36%).

Chili's is Dominating the Casual-Dining Landscape

Their sales **increased** a massive **21%** in the first quarter of its 2026 fiscal year, with foot traffic **surging 13%**.

"It's clear that the better than fast food campaign we've been hammering over the past two years has positioned Chili's as an important value leader."

– Brinker CEO Kevin Hochman



Chili's recent sales growth has been driven by promotions that position the brand as price-competitive with fast food, led by the Big QP burger in its \$10.99 3 For Me value menu.

Casual Dining Is an Intentional Choice

Casual dining is losing frequency, not importance. As consumers become more selective, they continue to choose sit-down experiences that feel worth the price, rewarding brands that balance value with indulgence.

Approaches to Take

Lean into “worth the occasion” positioning: Casual dining should position itself as a moment to enjoy, where the combination of social atmosphere and quality food makes it feel like a step up from QSR or home cooking.

Target the “selective spender”: Today’s diner isn’t cutting out restaurants, they’re choosing more carefully. Messaging should align with this reality, presenting casual dining as a reward-worthy occasion that feels like a smart and satisfying use of discretionary dollars.

Lead with craveability and visible value: Since appealing prices and mouthwatering food visuals drive decisions, menus and marketing should spotlight hero items that feel indulgent yet fairly priced.

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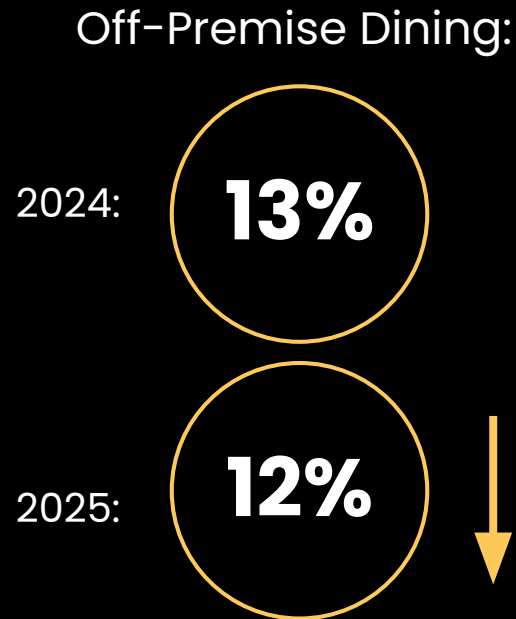
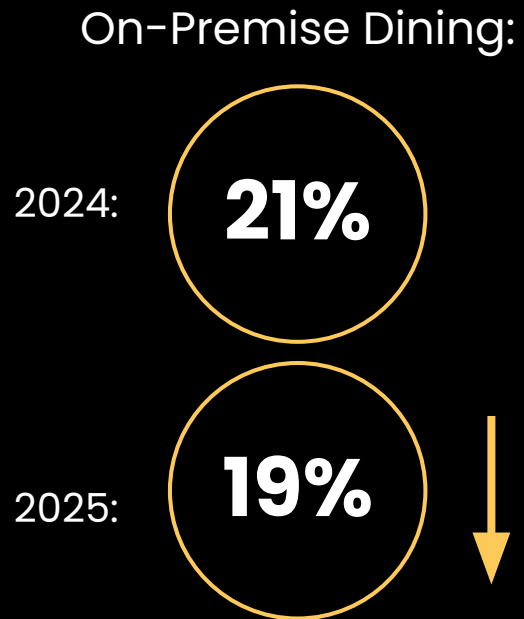
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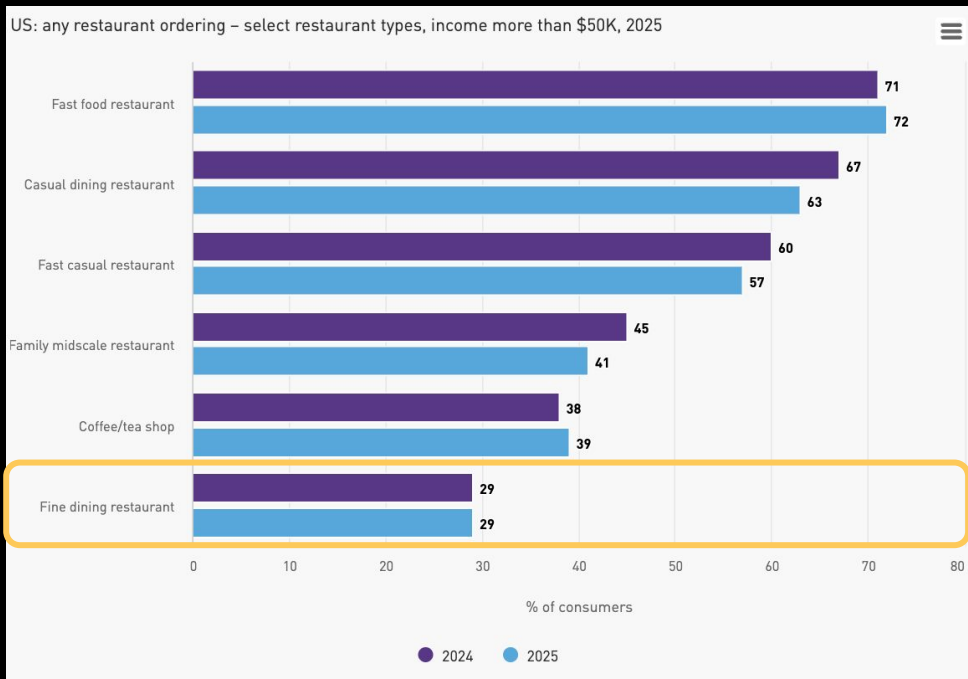
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Fine Dining Is Holding Steady, Despite Softening Engagement

Fine dining engagement declined YOY with on-premise dining down 2pts and off premise ordering down 1pts.



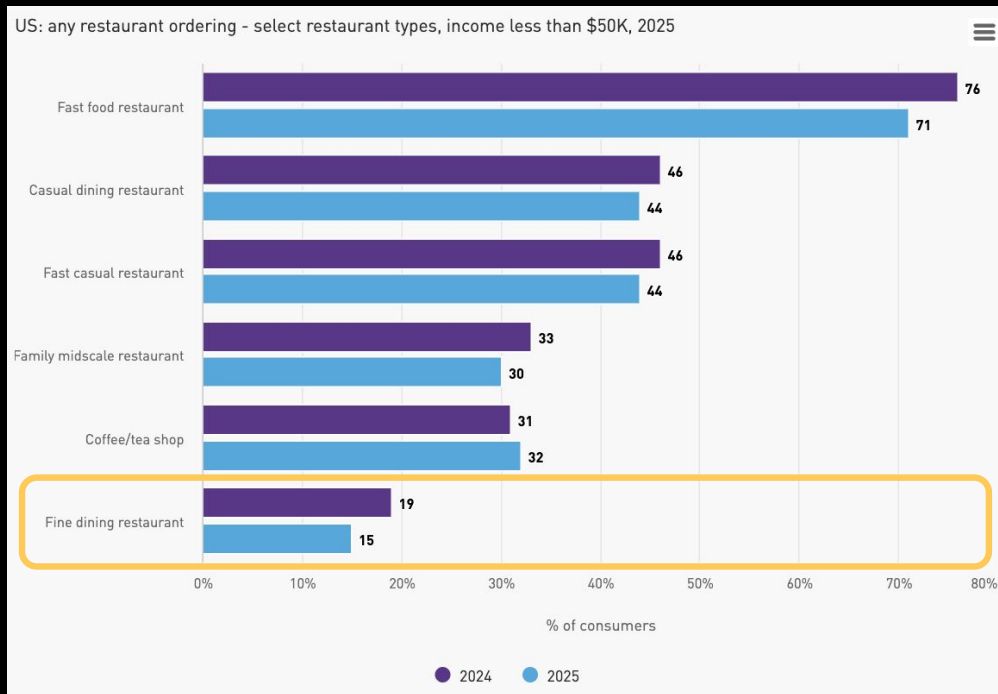
Fine Dining Remains an Occasion-Based Choice



Among consumers making \$50K+, fine dining usage remained flat at 29% year-over-year (2024–2025), signaling stability rather than growth.

Despite having the financial means, higher-income consumers are not increasing fine dining visits, treating it as a deliberate, occasion-based experience rather than an everyday habit.

Lower-Income Consumers are Actively Pulling Back




Among lower-income consumers, fine dining participation declined from 19% in 2024 to 15% in 2025 (-4 pts), signaling a clear pullback.

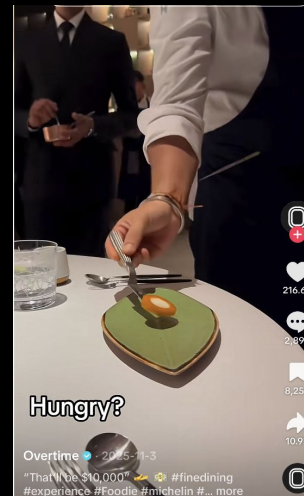
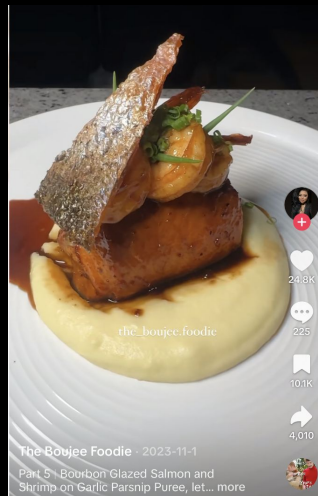
As inflation and menu prices rise, fine dining becomes one of the first discretionary expenses lower-income consumers cut. With limited flexibility in budgets, these diners prioritize value, predictability, and convenience, shifting spend toward fast food, fast casual, or at-home options.

Social Media is Driving Fine Dining Discovery

Attributes Associated with Fine Dining



| GUEST CHECK | | | |
|--|-----------------------------|--------|--------|
| Date | Table | Guests | Server |
| Main Course: | | | 800251 |
| APPT - SOUP/SAL - ENTREE - VEG/POT - DESSERT - BEV | | | |
| - | High Quality (56%) | | |
| - | Special Occasions (47%) | | |
| - | Enjoyable Experience (47%) | | |
| - | Good Customer Service (44%) | | |
| - | Innovative Dishes (31%) | | |
| Sides: | | | |
| - | Convenient (19%) | | |
| - | Fast Service (17%) | | |
| - | Easy Takeout/delivery (13%) | | |
| Tax | | | |
| Total | | | |



Social media has become the modern word-of-mouth engine, shaping how fine dining experiences are discovered, valued, and shared, often setting the standard for guest expectations across the industry.

Fine Dining is Holding Steady


Higher-income consumers are helping sustain fine dining but not by visiting more often; rather, they're maintaining selective, high-value occasions. At the same time, social media has become the new word-of-mouth, shaping how guests discover and evaluate fine dining experiences.

Approaches to Take

Use social media as a discovery engine, not just promotion: Invest in visually distinctive plating, tableside moments, and storytelling that translate well to social sharing and organic reach.

Create “entry luxury” moments: Introduce lower-commitment ways to experience the brand, that allow new diners to sample fine dining at a more approachable price point. These formats act as a gateway, expanding the audience while preserving the full experience and prestige of the core offering.

Prioritize experiential excellence over frequency plays: With fine dining as an intentional choice, guests arrive with elevated expectations. Service precision, well-timed pacing, atmosphere, and staff attentiveness must work together to create a cohesive, memorable experience that justifies the occasion.



Dining out in 2025–2026 is no longer routine, it's a series of trade-offs where consumers balance, convenience, value, and meaningful experiences with intention. The industry is still growing overall, but rising prices and tighter discretionary budgets have made diners more selective, pushing them to actively manage where, and how often they eat out.

Across all segments, the common thread is clear: consumers haven't fallen out of love with restaurants, they've simply become more purposeful, rewarding brands that make the spend feel justified, the experience feel intentional, and the choice feel smart.

Truth.