



2026 Global Restaurant Report

Key Trends Shaping the Industry

Beyond the Pandemic Boom

The restaurant industry has now moved past the pandemic reset and is settling into a more demanding environment. This is a cycle where access to the consumer is more contentious, growth is harder won and margins are tighter than in previous years.

The defining characteristic of this cycle is that pressure is coming from multiple sources all at once. Consumers are dining out less frequently, off-premises channels and retailers are taking share and digital platforms are increasingly controlling customer access. At the same time, labour, commodity, utilities and delivery costs remain elevated, putting pressure on operators as they consider passing inflation through to their customers.

These conditions are forcing a broader rethink of the restaurant model. Franchisors and operators are adapting menus, digitising operations, redesigning footprints and shifting toward more asset-light growth structures. Success will increasingly depend on turning each visit into a higher-value occasion, protecting margins in structurally weaker channels and making disciplined investment decisions around technology, branding and network strategy.



1. Cost Inflation Is Squeezing Restaurant Margins From All Sides

Restaurant operators are entering a phase where the cost base looks structurally higher, not temporarily inflated. Labour becomes scarce and expensive, commodity costs are volatile and inflationary and delivery costs are an on-cost to the P&L. In the U.S., beef prices are expected to rise again in 2026 after already increasing sharply in 2025, while labour inflation remains sticky as wage floors move higher across markets. At the same time, pricing power is weakening. Consumers are more selective, more value-sensitive and more resistant to broad menu price increases than they were two years ago. This creates a challenging operating environment. Brands must absorb higher costs while protecting traffic in a market that is less forgiving. This is changing the financial profile of the sector and exposing dated concepts and concepts built on a low-cost promise.

FTI Consulting Perspective

We expect this inflationary environment to last, leading to the need to build dynamic margin expansion plans – leveraging procurement, the labour models and targeted restructuring levers. For example, we are seeing more franchisees pressing their landlords to restructure lease terms, some hiring third-party firms to negotiate with landlords on their behalf.

The most exposed operators will be those with limited store count, labour-intensive models and undifferentiated menus or brands. Traditional cost-cutting will not be enough. Operators will need to rethink how work gets done and keep driving OpEx variability. They will need to intervene on challenged supply-constrained inputs – be it meat / dairy / produce. The priority is no longer short-term efficiency; it is building structural resilience.

Figure 1: U.S. restaurants' input costs are up (c.74% for beef, c.40% for electricity, c.30% for wages) above pre-pandemic levels, creating significant pressure to increase ticket price

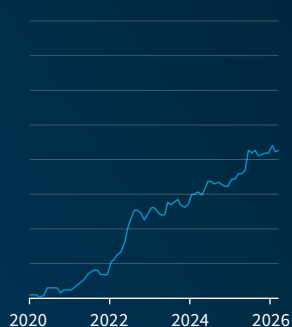
Food Cost

Uncooked ground beef price
Base 100 (1 Jan 2020)



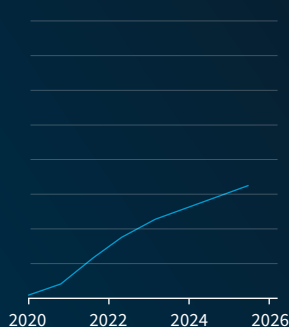
Energy Cost

Average price per kilowatt-hour
Base 100 (1 Jan 2020)



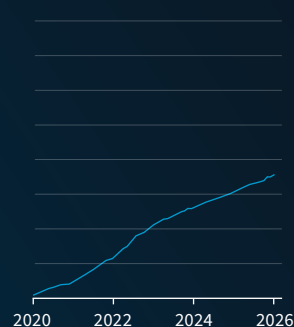
Labour Cost

Wages foodservice industry
Base 100 (1 Jan 2020)



Ticket Price

CPI Food Away from home
Base 100 (1 Jan 2020)



Note: CPI = Consumer Price Index and all data are from the U.S.
Source: FRED, FTI Analysis

2. The K-Shaped, A Real Change From The Traditional Trading Down

History is not repeating itself this time. In previous demand crises, consumers traded down and became treasure hunters. This time, we are seeing a K-shaped split between QSR and dine-in demand.

Lower-income households are under the greatest pressure and have cut frequency, reduced ticket size and, in part, exited the market. Groceries, lunchboxes and eating at home are their best alternative to date. Higher-income consumers continue to support premium and experiential dining. That leaves the middle of the market especially exposed. In the U.S., only 9% of quick-service brands reported positive visit growth, while casual dining traffic has also weakened. Restaurant demand is no longer moving as one market.

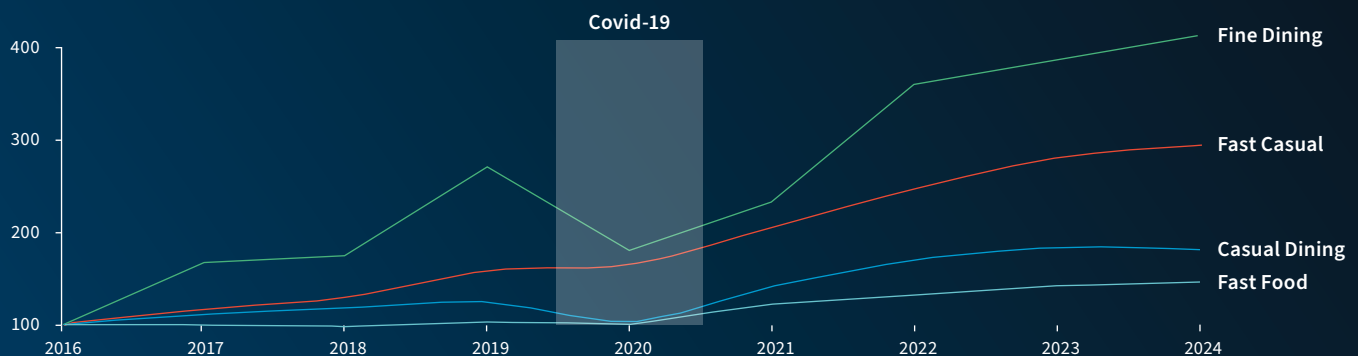
FTI Consulting Perspective

We expect this bifurcation to become one of the defining forces shaping the next phase of the industry. Operators positioned clearly at one end of the market should remain more resilient than those stuck in the middle. In practical terms, we believe the mid-market will face the greatest strategic pressure: too expensive to compete on value but not differentiated enough to command premium spend. That should accelerate repositioning and network optimisation.

Figure 2: Since the pandemic, a K-shaped split has emerged: fine dining benefited from the rebound, while fast food has lost momentum

Performance Benchmark Per Segment

Base 100, Year-on-year growth in revenue of the selected pool of companies (%)



Note: Performance benchmark across 193 companies in Europe and U.S.
Source: Black Box Intelligence February 2026 Report, Gain.Pro

3. The GLP-1 Effect Is Reshaping How Consumers Eat Out

Primarily a U.S. trend, GLP-1 adoption has started to influence restaurant demand in ways that go beyond health and wellness. FTI Consulting's own consumer research indicates that current or former GLP-1 users now represent roughly one in four consumers (see Figure 3, below). These drugs reduce appetite, lower calorie intake and change what consumers expect in a meal. Early effects are already visible: smaller portions, fewer add-ons such as appetisers and desserts, lower beverage attachment and a stronger preference for high-protein, nutrient-dense and "functional" menu items.

The impact is expected to be material, as GLP-1 users are mainly from higher-income households, the consumers who historically drove frequency and spend.

In our view, this is not a niche dietary trend. It is the early sign of a structural shift in how some of the most involved and valuable customers engage with food away from home.

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There are two ways to look at GLP-1 users:

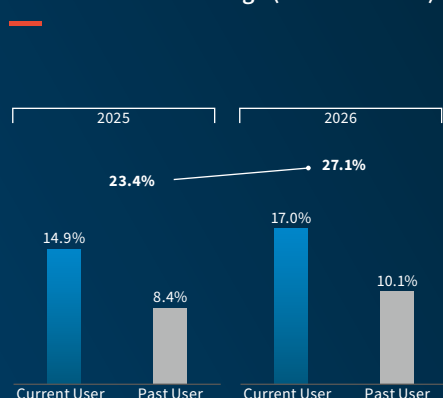
One way is that the GLP-1 users are already shifting their consumption, leading to profound sales mix changes: fewer indulgent occasions, smaller portions, lower beverage mix and greater focus on nutritional value. One clear example is lower alcohol consumption, which is particularly important given that alcoholic drinks are typically among the highest-margin items for casual and fine dining operators. Importantly, the impact is not only negative: operators can partly protect check size through premium entrées, portion-controlled formats and nutrition-focused offerings.

The other way to look at the GLP-1 consumer is as a member of a larger group. In order to get a GLP-1 consumer to agree to a restaurant choice, the restaurant needs to have relevant menu items to choose from. Otherwise, the whole party visit is at stake.

The winners will be those restaurants that redesign menus, pricing ladders and occasion strategy early. Categories built around abundance, heavy attachments or oversized servings may prove especially vulnerable.

Figure 3: With GLP-1 users expected to reach 27% of U.S. consumers by 2026, foodservice demand is shifting toward healthier, more intentional consumption

Overall U.S. GLP-1 Usage (Current + Past)



GLP-1 Drugs are Reshaping Consumption across Key Categories



Source: FTI Consulting analysis based on 2025 and 2026 Consumer Sentiment Survey (n=1,000+)

Note: GLP-1 treatments are medications primarily used to manage type 2 diabetes and support weight management by helping regulate blood sugar and appetite

4. Off-Premise And Eat-At-Home Are Redefining The Competitive Set

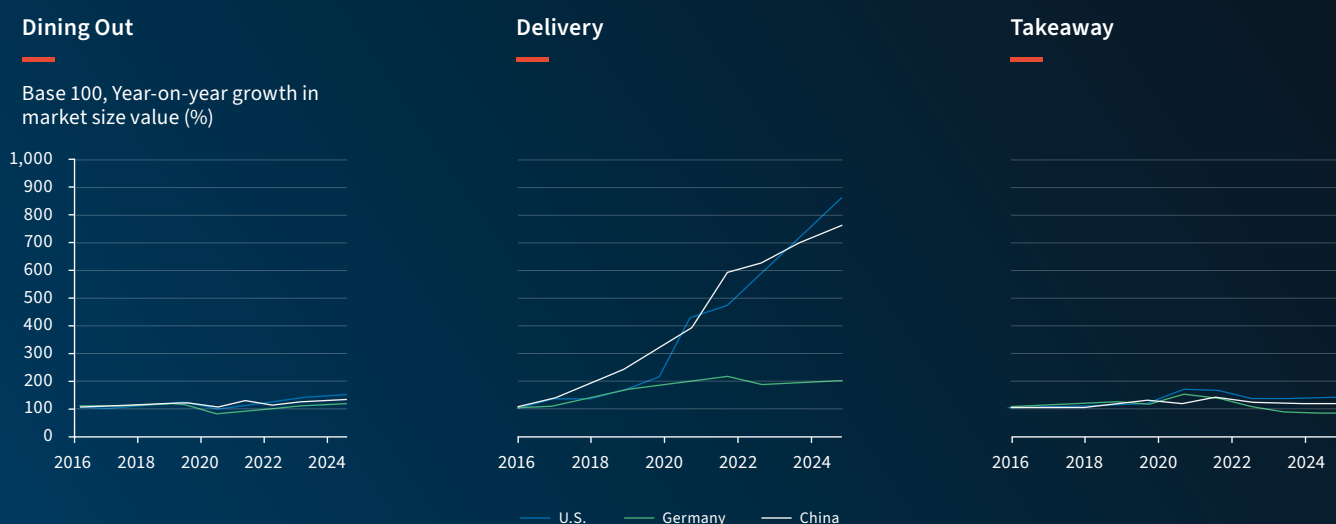
The competitive set for restaurants is getting wider, tougher and more price-competitive. Delivery and takeaway remain important, but the bigger shift is that eating at home is becoming a permanent occasion rather than a second-best substitute (cf. Figure 4, delivery market growth far outstripped that of dine-in restaurants). Premium ready meals, meal kits and retailer-led “restaurant-quality” ranges are making it easier for consumers to recreate dining occasions at home with less friction, lower total cost and no travel.

That trend means restaurants are no longer competing only with other restaurants. They are also competing with supermarkets, branded food suppliers and a broader home-dining ecosystem. Every at-home solution that looks or feels good enough raises the bar for why people should leave the house in the first place.

FTI Consulting Perspective

We expect the line between foodservice and retail to keep blurring. Operators that still define their competition too narrowly risk missing where demand is actually going. In our view, more restaurant brands will need an explicit at-home strategy, not just a delivery strategy. That could mean branded retail products, selective supermarket partnerships, meal solutions or direct participation in home occasions beyond the four walls. At the same time, dine-in concepts will need to sharpen their reason to exist. If the enthusiasm for delivery continues to grow, restaurants will need to offer either stronger experience, stronger convenience or stronger emotional differentiation to justify the trip.

Figure 4: Since the pandemic, delivery has consistently outpaced dining out and takeaway, with sustained year-over-year growth and no signs of slowing



Source: Financial Times, Euromonitor, FTI Consulting Analysis

5. Third-Party Platform Economics Are Reshaping Value Capture

Platforms have become a central element in the restaurant ecosystem. Delivery, search and booking platforms do not just facilitate demand; they increasingly monetise access to it. That intermediary role changes where value is captured. Operators gain convenience, reach and volume, but often give up data ownership, margin and control over customer relationships. China offers one of the most extreme examples of this new relationship in action: aggressive discounting and platform competition have driven order volumes higher while making profitability harder to sustain for both merchants and platforms themselves.

Restaurants can generate more transactions through platform ecosystems without necessarily improving earnings. In that sense, volume and value are becoming increasingly decoupled and operators are learning that distribution can grow faster than profitability.

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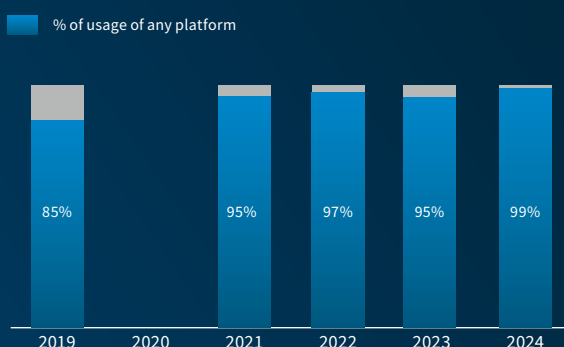
Post-pandemic, platforms became a non-negotiable. They helped most restaurants weather an unprecedented crisis.

Yet, the wake-up call is harsh. Operators are now highly reliant on third-party ecosystems and are losing consumer ownership and active engagement. The risks are product commoditisation and margin squeeze.

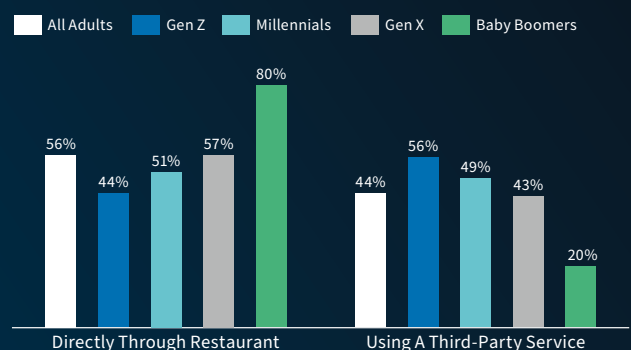
Over time, the strongest restaurant brands will be those that use platforms purposefully, not passively, treating them as an acquisition tool, not a delegated business channel. The strategic question is no longer whether to use platforms, but how to secure their brand equity, the guest experience and keep ownership of their customer base.

Figure 5: Delivery is now widely adopted across restaurants, with younger consumers significantly more likely to order via third-party platforms

Share of U.S. Restaurants Using a Third-Party Platform for Delivery



U.S. Consumers' Delivery Preferences by Age



6. AI And Automation Are Becoming The Operating Backbone

As labour shortages intensify and costs increase, we see the industry now leaning into more automated, standardised and data-driven solutions. AI and automation are no longer confined to isolated pilots. They are starting to shape demand forecasting, kitchen throughput, prep planning, drive-thru ordering, hiring, staffing and customer communication. Smart kitchens are improving consistency and speed; recruitment assistants are shortening time-to-hire; voice AI is reducing friction in ordering; and connected systems are giving management more visibility over performance. Some restaurant chains have talked about being “tech companies” for more than a decade. Today, technology is no longer a competitive advantage but has become a right to play.

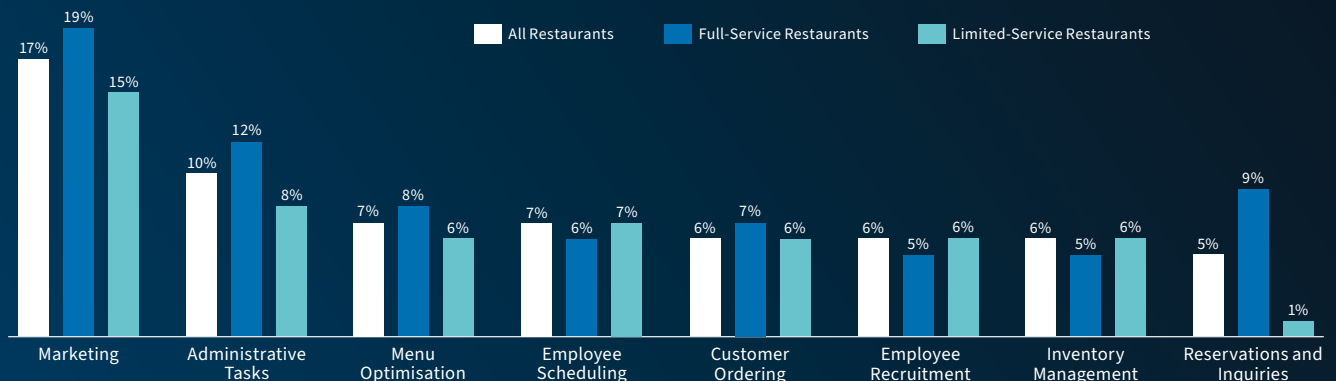
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We believe the biggest impact of AI will be in the back office and in the kitchen, not in headline-grabbing customer features. The real opportunity is to improve forecasting, prep planning, labour scheduling, inventory management, waste control and order flow, making restaurants more efficient and consistent. But these tools will only work if operators rebuild processes around them. Sticking AI on top of broken workflows will not solve the problem; it will just make them more complex and expensive. Over the next few years, we expect the strongest operators to use AI to simplify kitchen execution, reduce friction for staff and improve predictability at store level. The result should be better throughput, lower waste, tighter labour control and stronger unit economics.

Figure 6: AI and automation adoption across U.S. restaurants' operations is currently concentrated in support tasks but is expanding toward core operational optimisation

U.S. Restaurants' AI Usage

U.S. operators' percentage of adoption (%)



Source: National Restaurant Association Report 2026

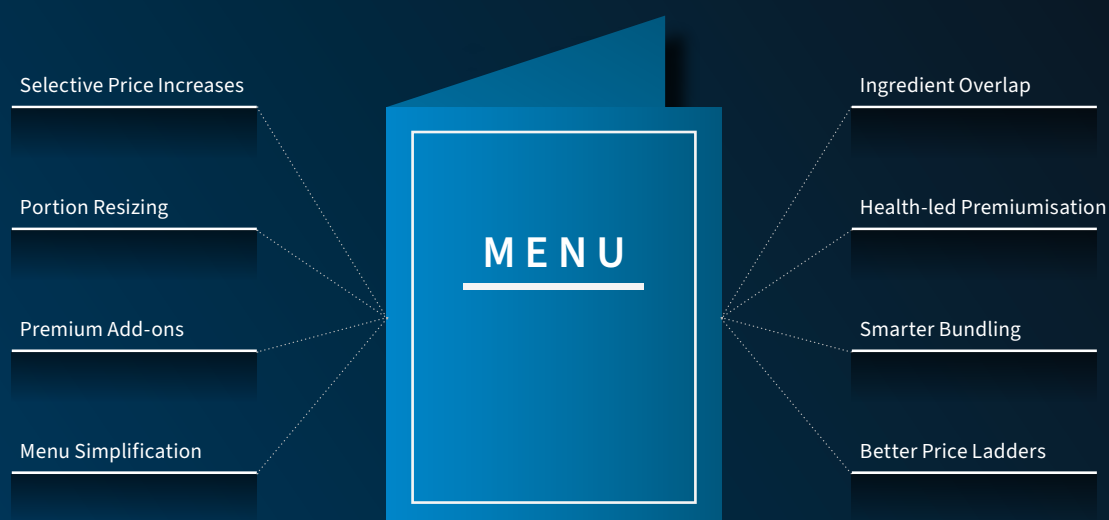
7. The Comeback Of Smart Menu Management

The menu has always been premium real estate for the restaurateur. As traffic becomes harder to secure and broad-based pricing becomes riskier, the menu becomes even more important and is a key enabler of margin management. Portion sizing, barbell pricing, premium add-ons, health-led innovation and more deliberate mix management are all helping operators defend margin without relying solely on blunt price increases. Premium tiers can protect average ticket spend. Health-led changes, including protein-forward and “clean-label / local offerings” offerings can justify a higher willingness to pay. Sustainability can also support premium positioning when linked to real consumer value. Portion sizing, the next lever at the restaurateur’s disposal, is tricky: the challenge is working on right-sizing, not just downsizing, which can come with a high risk of consumer backlash. The next phase of restaurant outperformance may depend as much on engineering the menu well as on driving traffic in the first place.

FTI Consulting Perspective

We expect all operators to elevate menu strategy to dynamically pilot margin. In a tougher environment, operators cannot rely on broad price increases to protect profitability, nor can they keep reducing portions without risking customer backlash. The strongest players will be those that price more selectively, simplify menus where complexity does not pay and focus on the products and formats that customers still see as worth paying for. Menus will also need to become more agile, adapting faster to changing consumer preferences while keeping a clear point of view on quality. That means leveraging seasonal ingredients, sourcing locally to support freshness and offering a range of choices that strikes the right balance between consumer choice and operational efficiency.

Figure 7: Strategic levers to optimise menu attractiveness and profitability



8. Growth Models Are Leaning Toward Asset-Light Models

The industry is broadening its definition of success from absolute Net New Units (NNU) and visibility-led expansion toward high Return on Capital Employed (ROCE) levers including franchise-first, smaller footprints and high-performance concepts. The industry's growth model is becoming more selective, more capital-conscious and more focused on returns. Opening more stores is no longer an automatic route to value creation. Operators are closing weaker sites, reallocating capital to stronger locations, testing smaller formats and leaning more heavily on franchising, joint venture and partnership models to expand with lower capital intensity. At the same time, delivery-led formats and co-branded footprints are offering alternative ways to penetrate markets and improve economics per square foot.

The franchise-first strategy acknowledges that it is challenging to excel at both building a powerful concept and brand while also running brilliant operations.

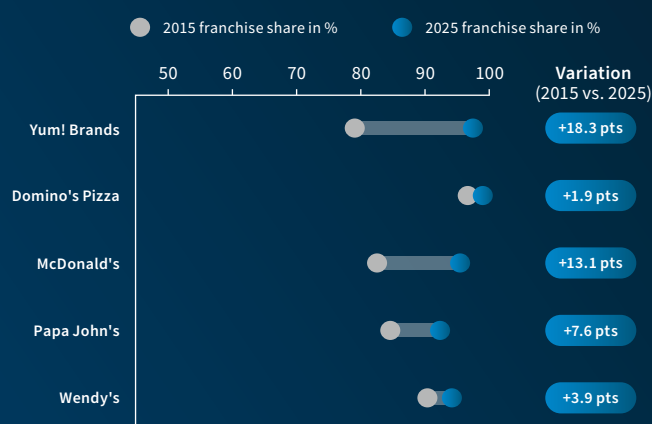
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We expect capital allocation discipline to become a more rewarded differentiator between strong and weak players. Growth is likely to shift further toward franchising and partnership-based models, not just because they are lighter on capital, but because they can create a more efficient cost base at unit level. For many brands, the priority will be less about opening faster and more about improving unit economics, tightening site selection and making sure each new unit can generate attractive returns from day one.

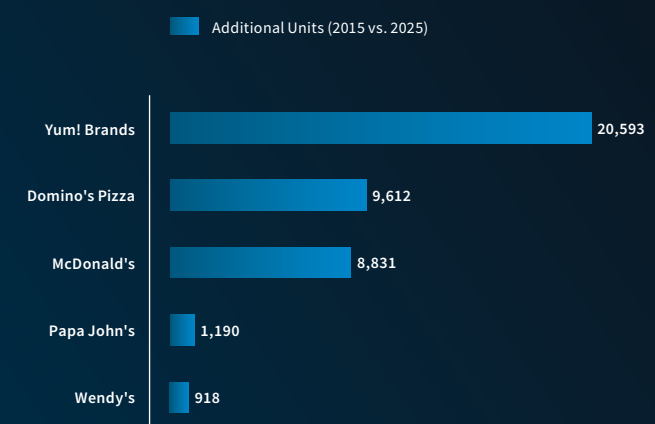
But let's be clear: franchise-first approach further increases the need for strong economics – because for the partnership to be successful, there need to be sufficient incentives in core economics for the franchisees to open / buy / run more units. The next phase of growth will be predicated on strong unit economics, trusted franchise partnerships and a tiered asset portfolio for high-return new units.

Figure 8: Across leading restaurant chains, the past decade shows a clear shift toward more asset-light¹ growth, with the fastest-growing systems scaling primarily through franchising

Evolution of the Share of Franchise Units in Portfolio



Total Increase in Units Between 2015 and 2025



Note: 1) In asset-light we include franchise, licensing and MFA

Source: Company earnings calls (Q4 2025 / FY2025), Restaurant Dive, Restaurant Business Online, CNBC, CNN, Newsweek, Fox Business, NRN, Black Box Intelligence.

9. Winning In China

China's foodservice market is undergoing a structural phase change. Consumer behaviour has become deeply polarised — the same diner chases extreme value on weekday lunches yet willingly splurges on emotional, experiential occasions — making blunt trading-up or trading-down narratives obsolete. Digital platform economics have decoupled volume from value: order counts surge during subsidy battles, yet merchants' profitability erodes, proving that scale without margin discipline is a trap. Rapid national expansion has been challenged by the survival rate of new store openings, elevating the importance of regional density and operational depth over footprint ambition. Digital and AI adoption is pervasive, but technology layered onto unreformed processes inflates costs rather than lifting efficiency. Meanwhile, consumer brand loyalty has become increasingly liquid — decisions hinge on food / service quality and moment and occasion relevance, forcing brands to earn trust repeatedly rather than rest on established reputations. These dynamics urge major players to rethink the playbook to win in China.

FTI Consulting Perspective

We believe the latest China foodservice dynamics demand a new CRAFT playbook:

- **Curation** to earn a place on the “most loved” menu by delivering emotional (moment and occasion) relevance amid polarised spending
- **Revenue and Profit Discipline** to convert platform volume into profitable growth, avoiding the subsidy trap
- **Area Leadership** to build defensible regional density against the risks of national sprawl
- **Future-ready Tech** to embed AI into simplified workflows, not overlay legacy complexity
- **Trust Compounding** to earn lasting brand equity in an era of increasingly liquid consumer loyalty

Figure 9: China foodservice is undergoing structural change, driving brands to rethink the playbook

Evolution of China's Foodservice Market Size

Month-on-month growth rate (%)



Key Facts in 2025

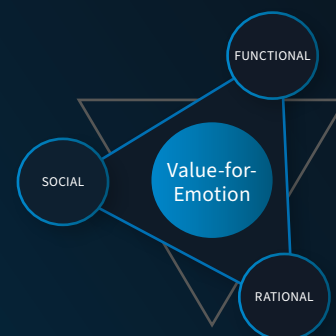
DELIVERY-TO-DINING RATIO
24.1% (+1.3% vs. 2024)

RESTAURANT OPENINGS AND CLOSURES
Opening +2.5M Outlets
Closure -3.0M Outlets

DURING THE 2025 DELIVERY SUBSIDY WAR¹
INCREMENTAL ORDER VOLUME
+7%

DECLINE IN MERCHANT PROFIT MARGINS
-9%

Consumption Trends and Preferences



Key Contacts

Raphaël Miolane

Senior Managing Director
Raphael.Miolane@fticonsulting.com

Enqing Wang

Senior Managing Director
Enqing.Wang@fticonsulting.com

Peter Heinz

Senior Managing Director
Peter.Heinz@fticonsulting.com

John Strek

Senior Managing Director
John.Strek@fticonsulting.com

Mustapha Labassi

Senior Managing Director
Mustapha.Labassi@fticonsulting.com

Tim Schleeter

Senior Managing Director
Tim.Schleeter@fticonsulting.com

Ralph Fernando

Senior Managing Director
Ralph.Fernando@fticonsulting.com

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