Restaurant Association

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Restaurant Industry Performance Report

Q2 2026 INDUSTRY BENCHMARK REPORT

Outperformers, Underperformers, Trends & Strategic Recommendations for Restaurant

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EXECUTIVE SUMMARY

The restaurant industry continued to demonstrate resilience during the second quarter of 2026, but performance varied significantly across segments.

Coffee concepts and select casual dining brands continued generating strong same-store sales growth, while several fast casual, family dining, and pizza brands faced slower traffic and margin pressure.

The industry's strongest performers shared common characteristics:

- Operational discipline
- Strong value positioning
- Effective use of technology
- Loyalty program engagement
- Consistent guest experiences

Perhaps the most important takeaway from Q2 is that growth is increasingly being driven by operational execution rather than broad market momentum.

The gap between high-performing operators and average-performing operators continues to widen.

INDUSTRY HEALTH SCORECARD

CATEGORY	Q1 2026	Q2 2026	TREND
Coffee	Strong	Strong	↑
Casual Dining	Improving	Strong	↑
Fast Casual	Strong	Moderate	↓
QSR	Stable	Stablev	→
Pizza	Soft	Soft	→
Family Dining	Weak	Weak	↓

TOP INDUSTRY OBSERVATIONS

TREND 1

Consumers Continue Demanding Value

Value remains one of the most influential factors affecting restaurant performance.

Consumers continue spending but are increasingly selective regarding where they spend.

Winning brands are not necessarily the cheapest brands.

Instead, they are delivering a combination of:

- Convenience
- Consistency
- Food Quality
- Speed
- Experience

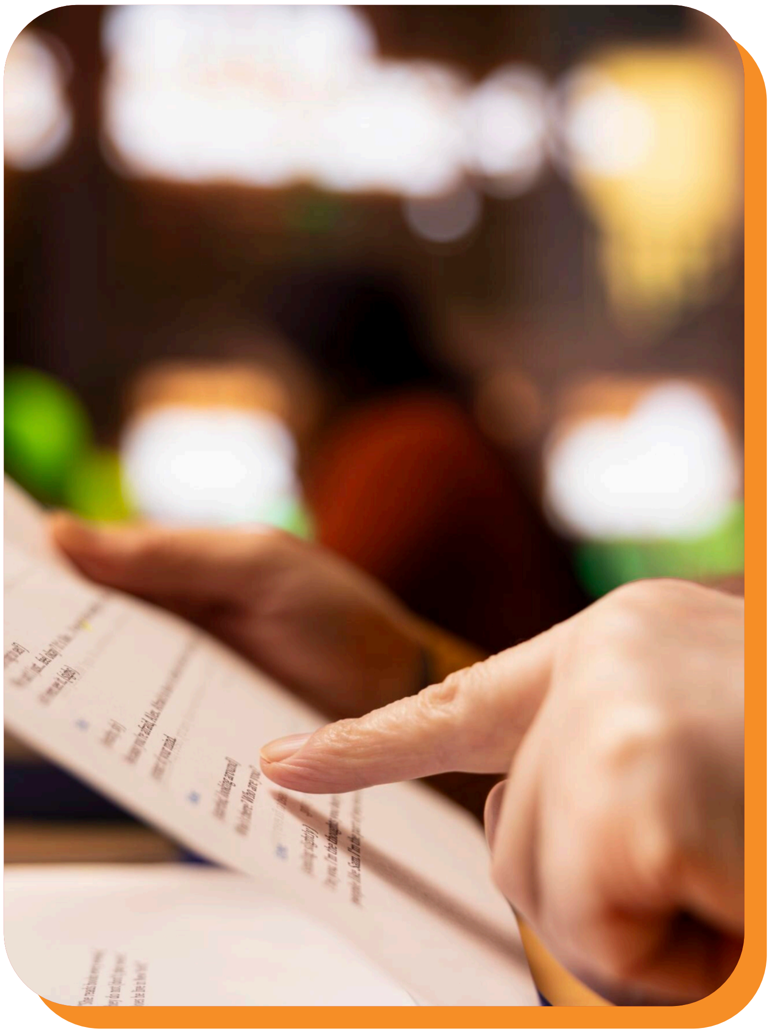
TREND 2

Traffic Matters More Than Pricing

Many brands continue reporting positive same-store sales growth.

However, operators should focus less on total sales growth and more on traffic growth.

Brands generating traffic gains are generally outperforming those relying primarily on menu pricing.



TREND 3

Technology Is Becoming a Profitability Tool

Technology investments have shifted from guest-facing convenience to operational efficiency.

Leading operators continue investing in

- Labor forecasting
- Scheduling optimization
- Inventory automation
- Food cost management
- Loyalty platforms
- AI-assisted decision making

SEGMENT ANALYSIS

Coffee

Outlook: Positive

Coffee continues demonstrating exceptional resilience.

Consumers remain highly loyal to coffee purchases despite broader economic pressures.

Key Drivers:

- Daily habit purchases
- Strong mobile ordering adoption
- Loyalty program participation
- Convenience-focused formats

OPERATOR LESSON:

Focus on frequency-based loyalty programs and digital ordering convenience.

Casual Dining

Outlook: Positive

Casual dining continued showing signs of recovery during Q2.

Consumers appear increasingly willing to spend on experiences when they perceive strong value.

Key Drivers:

- Menu innovation
- Service improvements
- Family-oriented occasions
- Improved operational execution

OPERATOR LESSON:

Guest experience remains a significant differentiator.

Fast Casual

Outlook: Watch Closely

Fast casual remains healthy, but growth has slowed compared to prior years.

Consumers continue responding positively to convenience but are becoming more price sensitive.

Key Drivers:

- Mobile ordering
- Loyalty
- Speed
- Premium positioning

Risks:

- Menu pricing fatigue
- Increasing labor costs
- Competitive pressure

OPERATOR LESSON:

Improve throughput and simplify operations.

QSR

Outlook: Stable

Quick service brands remain relatively stable but continue facing competition from both fast casual and convenience-focused retail concepts.

Key Drivers:

- Value meals
- Drive-thru efficiency
- Mobile ordering
- Loyalty

OPERATOR LESSON:

Speed and convenience remain critical.

LABOR OUTLOOK

Labor continues to be one of the largest controllable expenses in restaurant operations.

High-performing operators are focusing on

- Demand forecasting
- Optimized scheduling
- Labor productivity
- Manager accountability
- Overtime reduction

Organizations using data-driven scheduling continue outperforming operators using static labor models.

TECHNOLOGY OUTLOOK

The following technologies continue generating measurable returns for operators:

TECHNOLOGY	IMPACT
Forecasting	High
Scheduling Optimization	High
Inventory Automation	High
Loyalty Platforms	Medium
AI Analytics	Medium
Kiosks	Medium
Digital Ordering	High

THE OPERATOR PLAYBOOK

Immediate Actions (30 Days)

- Review labor productivity metrics
- Audit menu profitability
- Evaluate loyalty participation
- Review scheduling accuracy
- Analyze traffic trends

Mid-Term Actions (60-90 Days)

- Improve forecasting processes
- Simplify operational workflows
- Reduce inventory waste
- Improve manager reporting
- Increase digital adoption

STRATEGIC ACTIONS

90-180 DAYS

- Implement automation opportunities
- Strengthen guest retention efforts
- Expand loyalty engagement
- Improve operational visibility
- Build KPI-driven accountability

INDUSTRY FORECAST

Looking ahead to Q3 and Q4 2026, restaurant operators should expect:

1. Continued consumer value sensitivity
2. Ongoing labor cost pressure
3. Increased emphasis on operational efficiency
4. Growing importance of technology-driven decision making
5. Higher expectations for digital convenience

Brands capable of balancing operational discipline with guest experience improvements are likely to outperform their peers during the remainder of the year.

CEO BRIEFING

If there is one lesson from the first half of 2026, it is this:

The restaurant industry is no longer separating outperformers and underperformers based solely on concept strength.

It is separating them based on operational execution.

Operators who can optimize labor, control costs, improve guest experience, and leverage technology effectively will continue gaining market share regardless of broader economic conditions.

The future belongs to operators who can execute consistently on a scale.

Final Thoughts

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