# 2025

# NYC Restaurant Trends Report

TouchBistro

# Contents

# Summary of Key Findings

**75%** of NYC operators raised menu prices in the past 6 months

**NYC operators continue hiking menu prices to cover their food costs ▪** Operators in NYC have continued to raise prices to cover expenses, even though it's significantly altered customer behavior.

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**87%** are short at least one staff position

**Staffing shortages loom in NYC ▪** Unlike their peers across the country, operators in NYC are struggling to both find and retain staff.

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**72%** have observed an increase in takeout/ delivery sales

**Optimizing the off-premise experience becomes a top priority ▪** With takeout/delivery sales on the rise, NYC operators are trying to improve the online ordering experience – both operationally and for customers.

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**58%** are using TikTok to promote their restaurant

**TikTok proves to be the more popular platform ▪** With greater opportunities for discoverability, NYC's restaurateurs are turning to TikTok over Instagram.

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**40%** say high upfront costs is a barrier to implementing automation

**Cost stands in the way of NYC's tech transformation ▪** Despite strong interest in new tech, operators say they're unable to afford the upfront costs of implementing AI and automation.

# 1

# Financial Health

To offset increasingly high food and labor costs, NYC operators are putting all their effort towards increasing sales.

## Restaurant Traffic Ticks Upwards

Though work from home has certainly changed New York City's restaurant landscape, full service restaurant (FSR) operators report that their businesses are generally doing well. 23% of operators reported a *significant* increase in traffic from the year prior, while 66% reported a *slight* increase.

Much of this traffic appears to be coming from the weekends, which operators reported are their most consistently busy days. However, operators also reported that Monday was their busiest day for lunch, while the early evening (6-8 p.m.) slot was most popular on Wednesdays.

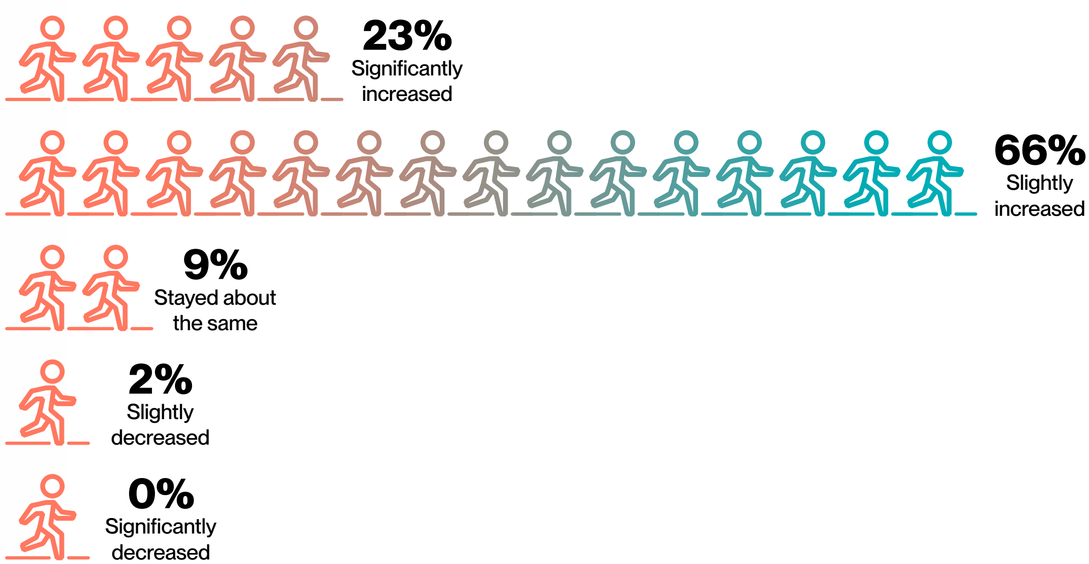
As a result of steady traffic, New York City operators reported average profit margins of 10.2%, which is higher than the U.S. average of 9.8%.

**Average Profit Margins for FSRs**

NYC **10.2%**

**9.8%** U.S. Average

**NYC Restaurant Traffic This Year Compared to Last Year**



**“Business is definitely up**
a little bit from
last year across
the board, but still
down from 2019.”

General Manager, Bistro, New York City, NYC

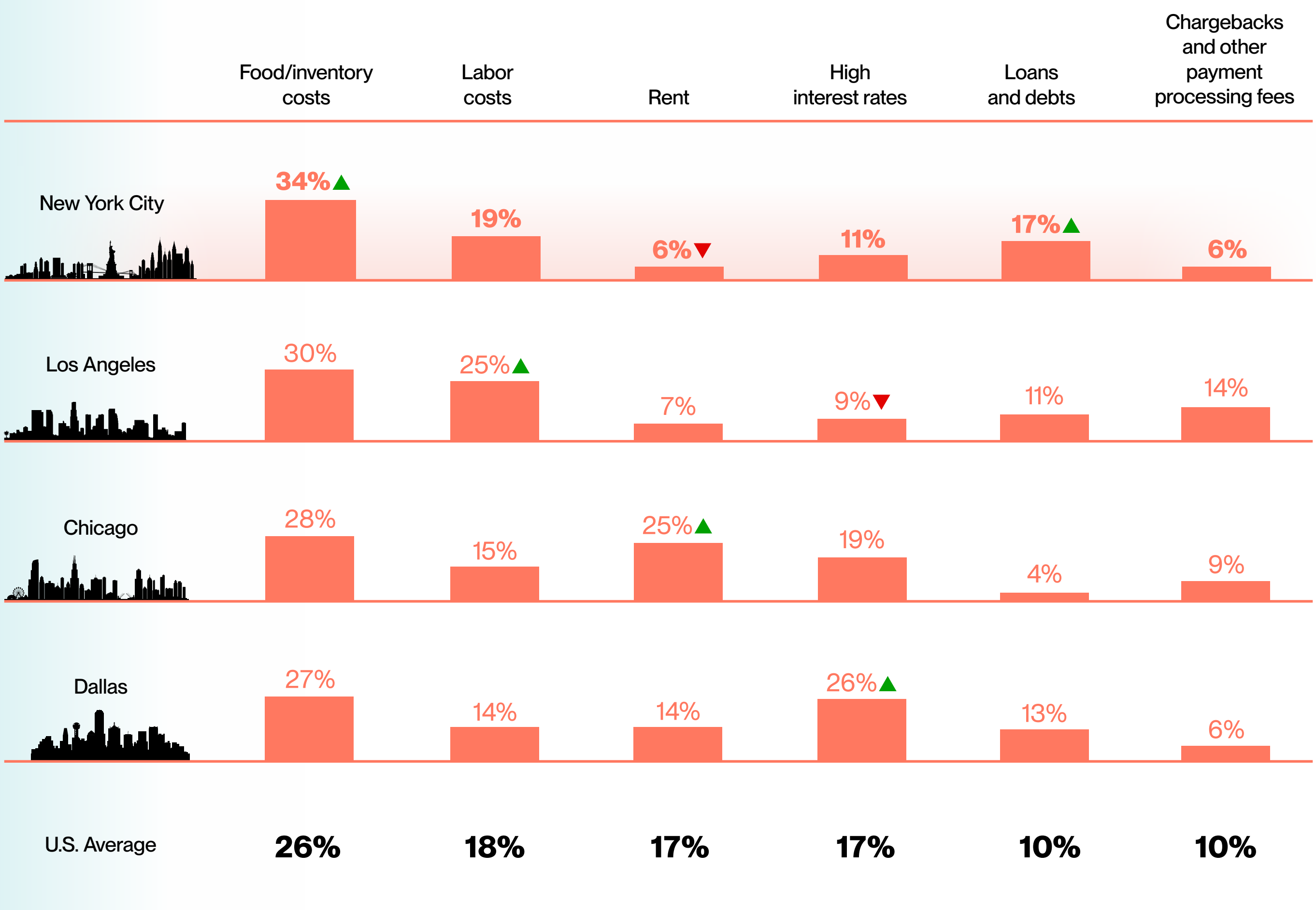
# Rising Food Costs Hinder Growth

But while more traffic is good news for New York City operators, some of those gains have been offset by rising expenses in the back of house. 34% reported that inventory costs were their number one source of financial strain (a bigger proportion of operators than in any other city) and nearly a quarter (23%) said food costs were the biggest obstacle preventing them from expanding their business.

In turn, most of the strategies operators reported using to minimize expenses involved reducing food costs. More specifically, 43% reported looking for new/less expensive suppliers, 42% are trying to reduce food waste, and 34% have eliminated certain ingredients/menu items altogether.

And those who can't quite seem to cover expenses are turning to a different solution entirely: loans and financing. A whopping 51% of NYC operators reported applying for a loan or financing in the past 6 months, and the average debt for full service restaurants in NYC clocking in at $59,048 – well above the U.S. average of $51,040. These figures suggest that even if sales are steady, rising expenses are causing serious cashflow issues for some of the city's operators.

**Greatest Sources of Financial Strain in the Past 12 Months**

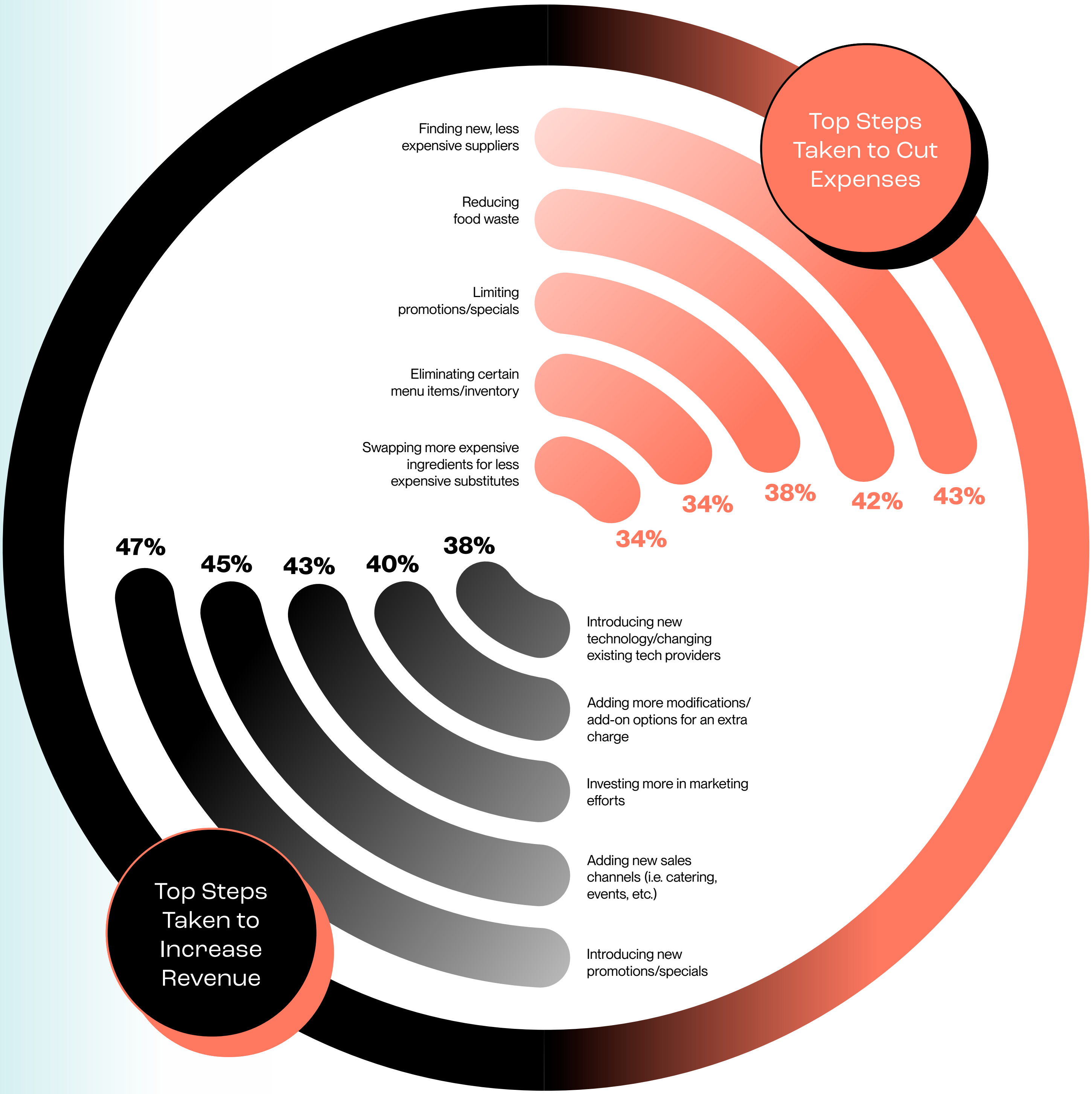


# 79%

Of FSRs in NYC report carrying some debt

# $59,048

Average debt carried by NYC FSRs (16% more than the U.S. average)



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# Staffing & Labor

Retention and higher labor costs prove to be a double blow for NYC operators.

**96%** **Are spending more** on labor this year

## Retention Issues Start Raising Alarm Bells

With some of the highest minimum wage rates in the country, it's unsurprising that labor costs were cited as one of the biggest staffing/labor issues New York City operators are facing. In fact, 96% of respondents reported spending more on labor costs this year. In response to higher costs, most operators have tried to cut costs by cross-training/repurposing staff in other roles, while some have gone so far as adding QR code payments to lighten the load of servers.

But while higher labor costs are expected, what is surprising is how many operators in New York City are struggling with staff retention. 49% reported trouble retaining current staff and 87% said they were short at least one position. These figures are among the highest in the country, suggesting that NYC operators may be in for another staffing shortage if retention doesn't become a top priority.

### Top Strategies Implemented to Reduce Labor Costs

45%
Increase productivity

43%
Cross-train/repurpose staff

40%
Introduce new technology

### Tech Implemented to Alleviate Staffing/Labor Cost Concerns

58%
QR code payments

58%
Order-ahead or pre-schedule online ordering solutions

49%
QR code menus

**87%** Number of NYC restaurants short at least one position

### Roles NYC Restaurants are Short

| | |
|---|---|
| 37% | Bartenders |
| 37% | Dishwashers |
| 37% | Managers |
| 30% | Line cooks |
| 30% | Chefs |
| 30% | Servers |
| 26% | Hosts |
| 24% | Prep cooks |
| 20% | Bussers |

**“I’m definitely interested in anything that might help me forecast,** because then I can look back on the same day last year and try to make some assumptions based on what numbers I see, especially for labor costs. A forecast that says you need to cover this specific number of sales to maintain your labor percentage would be helpful.”

General Manager, Bistro, New York City, NYC

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# Inventory & Menu Management

With food costs on the rise, operators in NYC are stuck raising menu prices to cover expenses – a strategy that comes at a high cost.

## NYC Operators Continue Hiking Prices to Cover Food Costs

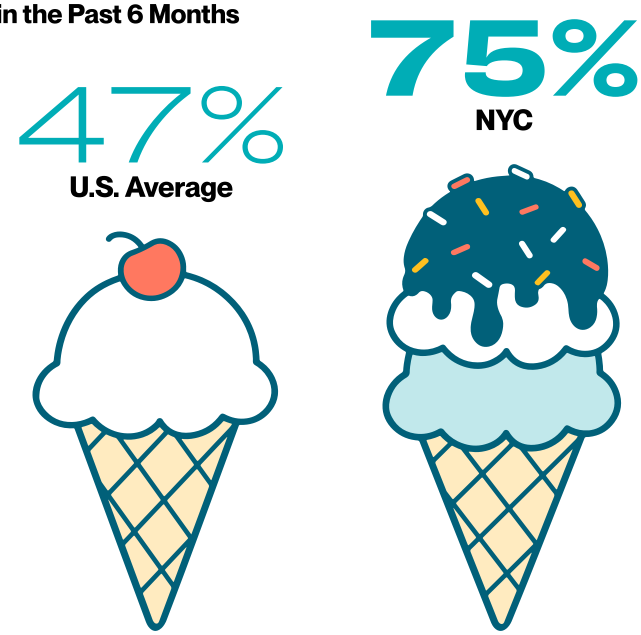
Like their peers across the country, operators in New York City cite rising food costs and inflation as their number one inventory challenge. In fact, they report spending a whopping 36% more on food compared to the previous year.

But where operators in the Big Apple differ from restaurateurs across the country is how they're dealing with those rising costs. While less than half (47%) of operators nationwide reported raising menu prices to cover higher food costs, a whopping 75% of operators in New York City said they had raised their prices.

And unfortunately, this pricing strategy seems to come at a steep cost. In response to higher prices, 43% of operators in New York City had observed customers spending less overall and 38% observed customers tipping less than in the past. More concerningly, 33% of operators said they'd received negative reviews following price hikes – a higher proportion than in any other U.S. city.

Though operators in New York City may feel as though raising prices is the only way to cover higher costs, this may actually end up costing them more in the long run.

**Operators Who Reported Raising Prices in the Past 6 Months**

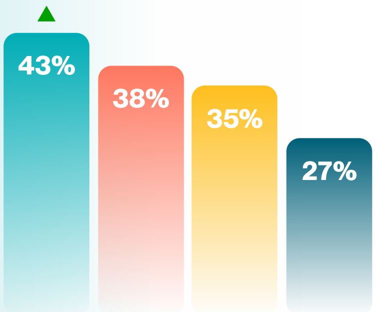


"Menu prices usually increase to combat the increase in cost of the ingredients, but it's a constant battle. **You can only raise your prices so high before people aren't willing to pay for it.**"

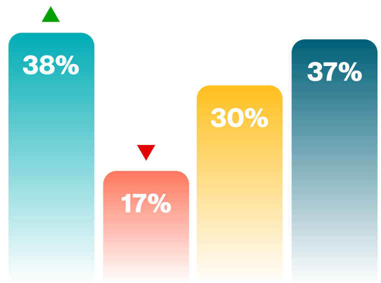
General Manager, Bistro, New York City, NYC

## Changes in Consumer Behavior Following Menu Price Increases

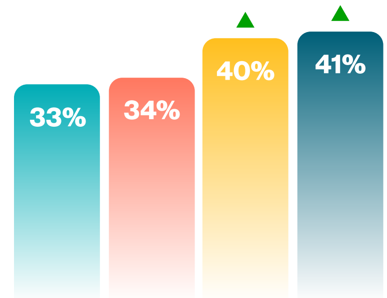
New York City
Chicago
Los Angeles
Dallas



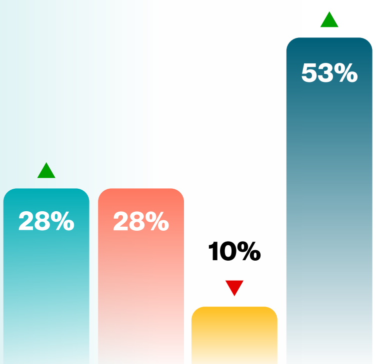

Customers are spending less overall



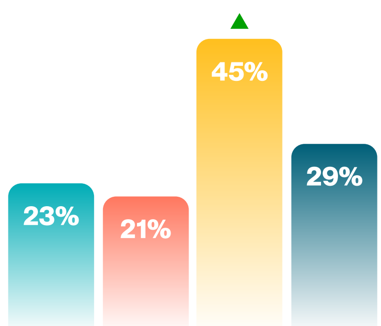

Customers are tipping less



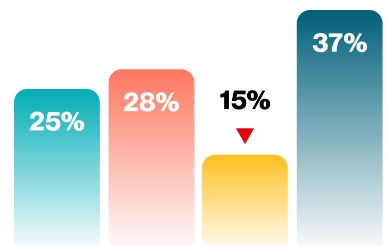

Customers are ordering less alcohol



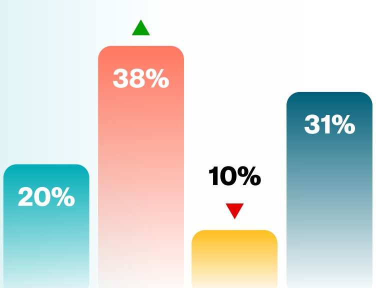

Customers are ordering fewer dishes



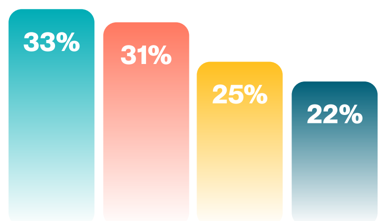

Customers are ordering takeout/delivery less frequently




Fewer customers are visiting on the weekend




Fewer customers are visiting during the week




Negative reviews

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# Takeout and Delivery

With takeout and delivery sales ticking upwards, NYC operators look to double down on online ordering improvements.

**72%**

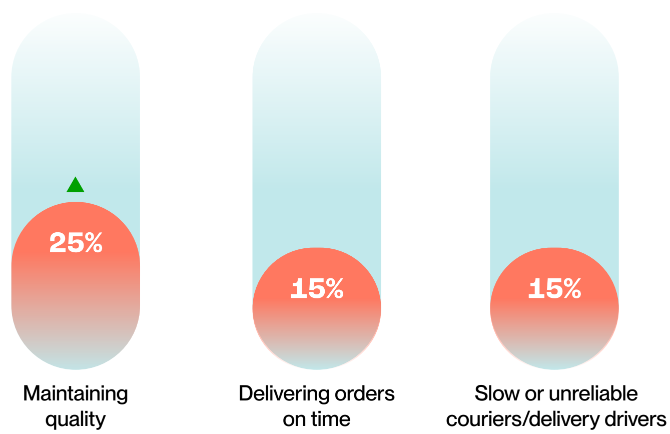
**of NYC operators** have seen an increase in takeout/delivery sales compared to last year

## Optimizing the Off-Premise Experience Takes Priority

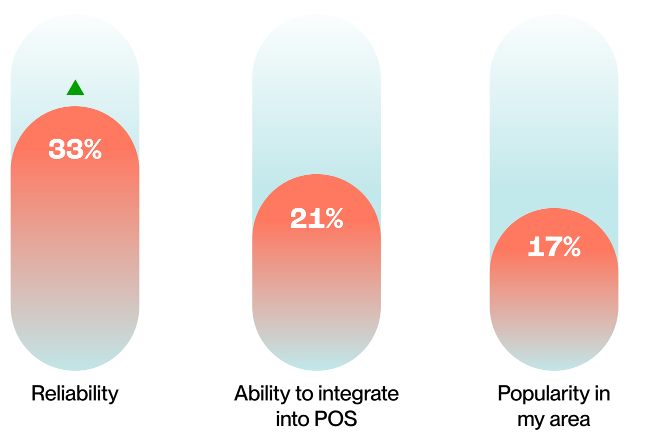
Like dine-in sales, operators in New York City reported seeing a noticeable bump in takeout and delivery sales this year. 17% of operators reported seeing a *significant* increase in takeout and delivery sales from the year prior, while 55% reported seeing a *slight* increase.

With sales relatively steady, operators seem to be shifting their focus from simply growing their off-premise business to improving the online ordering experience – both operationally and from the customer perspective. A third (33%) cited reliability as the number one most important factor in choosing an online ordering platform. Additionally, maintaining order quality was flagged as the number one takeout/delivery challenge for operators right now.

### Biggest Online Ordering Challenges in the Past Year




### Top Considerations When Choosing an Online Ordering Solution



# 5

# Marketing & Loyalty

While loyalty programs usage is down among NYC restaurateurs, the use of TikTok as a marketing tool is way up.

**Loyalty Program Usage in NYC**

57%
2024

67%
2023

## TikTok Proves to be a Powerful Tool for NYC Restaurateurs

Similar to operators in cities like Chicago and Houston, fewer New York City restaurateurs reported offering a loyalty program than in the year prior. This is a trend observed nationwide as operators are struggling to find a way to deliver value in a way that doesn't put a dent in their bottom line.

While operators take time to retool their loyalty programs, one channel that is proving successful is TikTok. More than half (58%) of operators in New York City now report using TikTok to promote their businesses, which is up significantly from the 31% who said the same last year. This reflects a nationwide shift towards TikTok, which offers greater organic reach than older platforms like Instagram and Facebook – something that's especially useful for restaurateurs.

**Social Media Platforms Used by Restaurants in NYC**

77% Facebook

62% Twitter (X)

25% Snapchat

58% (vs. 31% in 2023) TikTok

40% Instagram

# 6

# Technology

With the cost of operating a restaurant in NYC at an all time high, the city's operators are budgeting carefully before making big tech changes.

## Cost Drives Major Tech Decisions in NYC

It's no secret New York City is one of the most expensive places to run a restaurant and, interestingly, that seems to be impacting the degree to which the city's operators are updating their technology.

New York City restaurants reported some of the lowest adoption rates for cloud POS systems (just 62%) and integrated payments (just 43%). The higher rates of outdated technology are most likely a cost issue, as price/affordability was ranked as the number one factor that New York City operators consider when choosing a new POS – a greater proportion than in any other city.

The issue of cost also arises when New York City operators were asked about automation. 40% said that the high upfront cost was their number one barrier to implementing automation, which is a far greater percentage than in any other city.

**Top Factors NYC Operators Consider When Choosing a New POS**

**1.** Price/affordability

**2.** System reliability

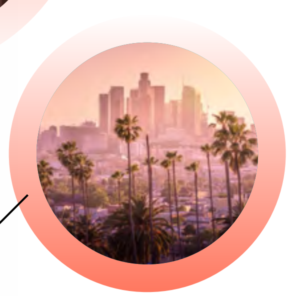
**3.** Ease of use

**4.** Customer support

**5.** Reporting and analytics features

**Use of Cloud vs. Legacy POS Systems**

**NYC**
Cloud POS **62%**
Legacy POS **38%**



**LA**
Cloud POS **66%**
Legacy POS **32%**

**Chicago**
Cloud POS **68%**
Legacy POS **32%**

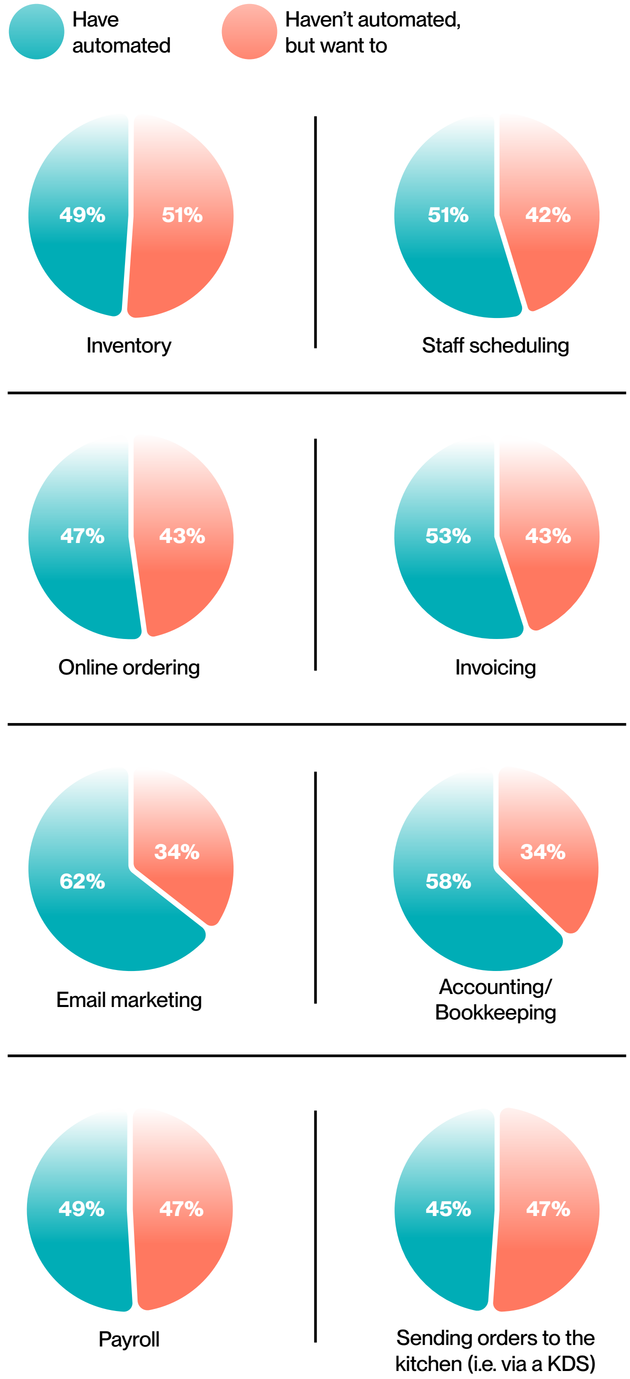
**Las Vegas**
Cloud POS **77%**
Legacy POS **14%**

# NYC Operators are Not Averse to Automation (Just the Cost of It)

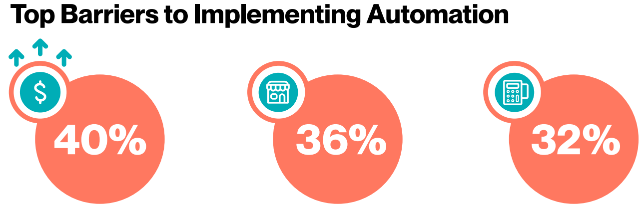
While cost seems to be holding many operators back from upgrading their technology, it doesn't mean that New York City's restaurateurs are uninterested in the latest tech – quite the opposite actually. Many operators expressed interest in automating manual processes like payroll and sending orders to the kitchen.

Not to mention, 63% said they felt positive about the use of AI in restaurants. In fact, a whopping 70% expressed interest in AI inventory management, which suggests that if these solutions can help operators tackle the very thing that is holding them back (namely, rising expenses), they are happy to make the change.

## Tasks That Restaurateurs in NYC Have Automated/Want to Automate




## Top Barriers to Implementing Automation




High upfront costs

Business is too small to justify the cost

Concerned with POS integration

**"There's a certain part of service that should be human, but the technology has to be there to support it.** So would I want a robot busser? No. But, I wouldn't mind having an AI [solution] that can keep guests informed about their delivery. Like the AI lets them know that we received their order and we're working on it in the kitchen. Then, if they have any basic questions, the [system] can answer those questions for them."

General Manager, Bistro, New York City, NYC

TouchBistro

## Tackle 2025 & Beyond with TouchBistro

TouchBistro is an all-in-one POS and restaurant management system that makes running a restaurant easier. Providing the most essential front of house, back of house, and customer engagement solutions on one easy-to-use platform, TouchBistro helps restaurateurs streamline and simplify their operations, increase sales, and deliver a great guest experience.

### Exclusively Designed for Restaurants

TouchBistro was born out of a mission to make running arestaurant easier and continues to provide solutions exclusively for restaurant businesses.

### Easy to Learn, Easy to Use

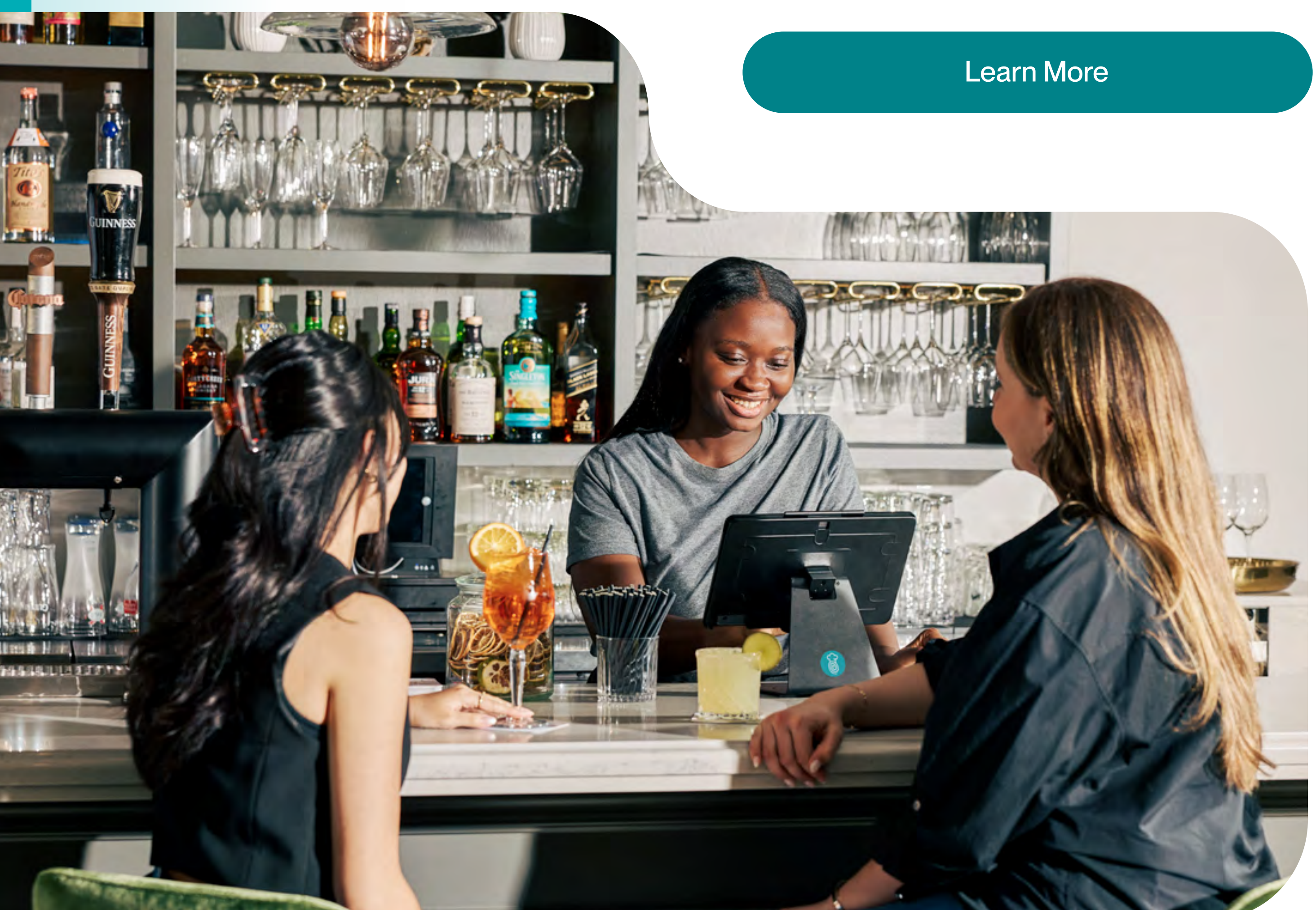
Intuitive software makes TouchBistro easy to learn and even easier to use.

### Round-the-Clock Support

Get up and running quickly with TouchBistro's one-box POS solution and enjoy the peace of mind of 24/7 support, available 365 days of the year.

**To find out if TouchBistro is the right fit for your restaurant, get in touch today.**

Learn More



# Respondent Profile

**Years in the Industry**
1-5 years **13%**
6-10 years **57%**
11-15 years **26%**
Over 15 years **4%**

**Type of Restaurant**
Brasserie, bistro, or café **30%**
Bar and grill **11%**
Fine dining **47%**
Family style **11%**

**Number of Locations**
Just 1 location **42%**
2-4 locations **33%**
5-10 locations **23%**
More than 10 locations **2%**

**Ownership**
Independent **96%**
Part of a restaurant group **4%**

**Size of Restaurant**
<20 seats **4%**
21-40 seats **49%**
41-80 seats **38%**
81-120 seats **8%**
120+ seats **2%**

**Dining Options Offered**
Indoor dining/dining room **94%**
Patio/outdoor dining **85%**
Delivery **92%**
Takeout/curbside pickup **87%**

**Annual Revenue**
<$1M: **11%**
$1M-2M: **77%**
$2M+: **11%**

**Current Role**
Owner: **47%**
President/CEO: **25%**
General Manager: **26%**
Area Manager: **2%**

# Methodology

We partnered with research firm Maru/Matchbox again this year to survey more than 600 full service restaurant owners, presidents, and area/general managers across all 50 states, with an added focus on eight key cities: New York City, Los Angeles, Chicago, Dallas, Houston, Austin, Denver, and Las Vegas. Our research was conducted from June 27 to July 15, 2024.

maru/

Maru/Matchbox is our group of highly skilled research practitioners with deep advisory expertise. As part of the Maru Group, we are a different breed of global insight partner, built on proprietary software that enables our experts to connect with the people that matter most to our clients.

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