The Restaurant Industry Outlook Report

2023 Edition

toast

Resilience is as important as ever for the restaurant industry

Aman Narang
President, Co-Founder, and
Chief Operating Officer of Toast

If we've learned anything from the past few years, restaurant people are up for the challenge — and technology will play a critical role.

Cloud-based point of sale (POS) was a budding industry when our first customer, Barismo, went live on Toast in 2013. Fast forward 10 years, and adoption has also skyrocketed — 84% of new restaurants selected a cloud-based POS system in 2022, according to our research.

Cloud-based POS was just the beginning for Toast. Restaurants are complex businesses. The average restaurant today offers five different ordering paths and seven different service models. Our research identifies eight different restaurant technologies with at least a 50% adoption rate across the restaurant industry. And 74% of operators expect to increase

their technology budget in 2023, with 27% foreseeing at least a 5% increase in said technology spend.

As the primary technology partner for a community of approximately 74,000 restaurants and growing, we've seen this first hand. Over 60% of Toast restaurants are utilizing four or more Toast products beyond Toast Point of Sale and Toast Payments.

In this environment, it's especially critical that restaurants have a trusted technology partner to help drive efficiency, promote profitability, offer differentiated guest experiences, and enable these new service models.

Toast is relentlessly focused on being that partner for the industry.

Toast's New Steps of Service is a great example of how service models are evolving to help restaurant people adapt to an influx of change. It's the strategic implementation of Toast products that gives guests the power to order and pay as they please — while increasing the efficiency of front-of-house staff by freeing them from POS terminals.

It all comes back to finding ways to better support restaurants. At Toast, we're focused on partnering with both new and existing restaurants to ensure they're able to adapt and thrive in this dynamic environment and beyond.

Toast is committed to empowering the restaurant community to delight guests, do what they love, and thrive.

Our research captures key learnings from 2022 as well as what operators expect to see in 2023, such as:

- Labor shortages and rising food costs remain top challenges

- Restaurant point of sale leads as the most popular technology

- There is a large opportunity for FSRs to make progress on ancillary technology adoption — QSRs even more so

If we can all be certain of anything, it's the resilience of this industry. All our findings point to operators taking action to better position their restaurants for what's currently happening and whatever awaits.

Toast is thrilled to be with you throughout the ride, helping you thrive all along the way.

This report is based on internal data analysis, secondary research, and a blinded survey conducted from May 13, 2022 - June 28, 2022, with a base sample size of 956 restaurant decision-makers that are primarily SMB restaurant operators. Survey respondents were not made aware that Toast was fielding the study. Panel providers granted incentives to restaurant respondents for participation. Using a standard margin of error calculation, at a confidence interval of 95%, the margin of error on average is +/- 3%.

956

Base sample size of restaurant decision-makers

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are not guaranteed, and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Forward-looking statements are based on our current expectations and assumptions, which may not prove to be accurate. These statements are not guarantees and are subject to risks, uncertainties, and changes and we assume no obligation to update or revise any forward-looking statement, except as required by law. Specific factors that could cause actual results to differ materially from forward-looking statements include, but are not limited to, the effect of economic conditions in the United States and globally, general industry conditions and the other important factors disclosed previously and from time to time in Toast's filings with the Securities and Exchange Commission.

Contents

# Top takeaways
for 2023

Food costs are on the rise

Restaurants came out of the pandemic and lockdowns and straight into historic inflation and turbulent economic times. The first half of 2023 may be another difficult run for restaurants.

Fortunately, the industry on the whole and individual operations have proven incredibly resilient time and time again — **always up for the challenge**.

Data shows that coming into 2022, the top challenges that restaurants identified were labor and inflation —

1 in 3 restaurants identified them as moderate to extreme challenges.

And indeed throughout 2022, the industry had to **navigate historic food inflation** and **ongoing labor struggles.**
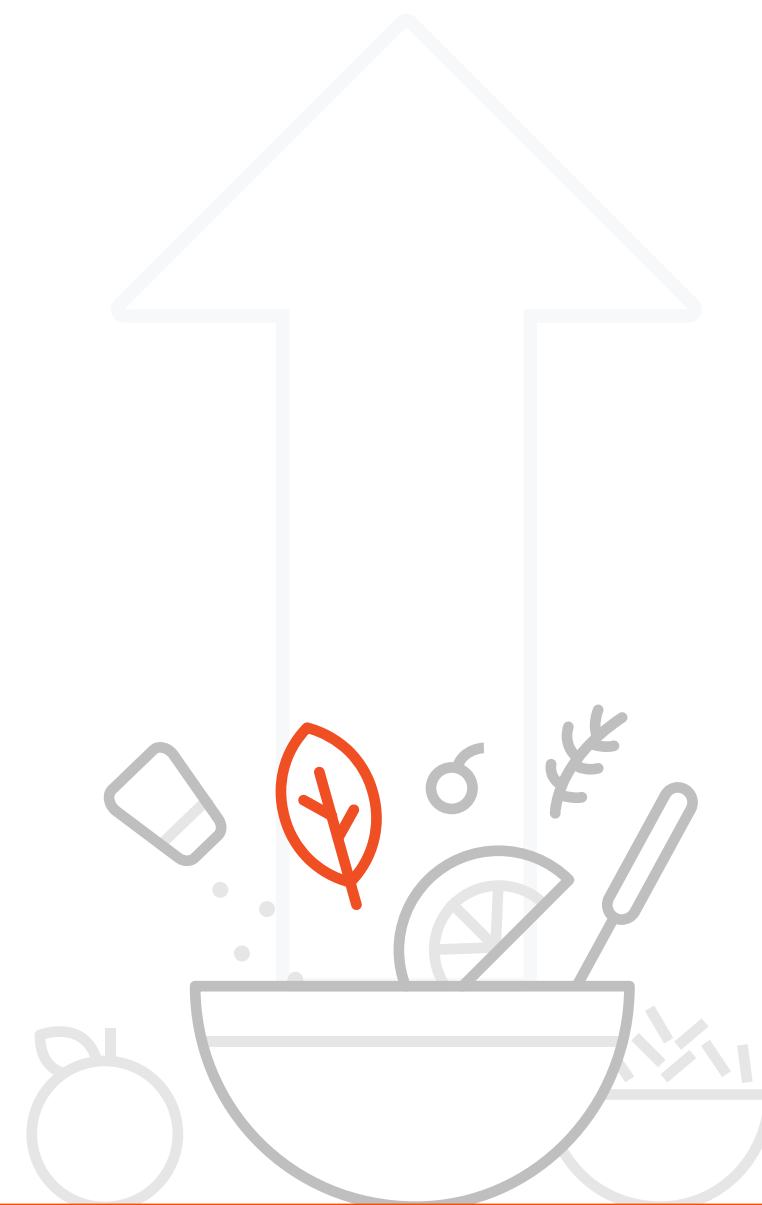
Compared to pre-COVID times:

9 in 10

restaurants have reported increased food costs (as a % of sales), while...

8 in 10

have reported increased labor costs (as a % of sales)

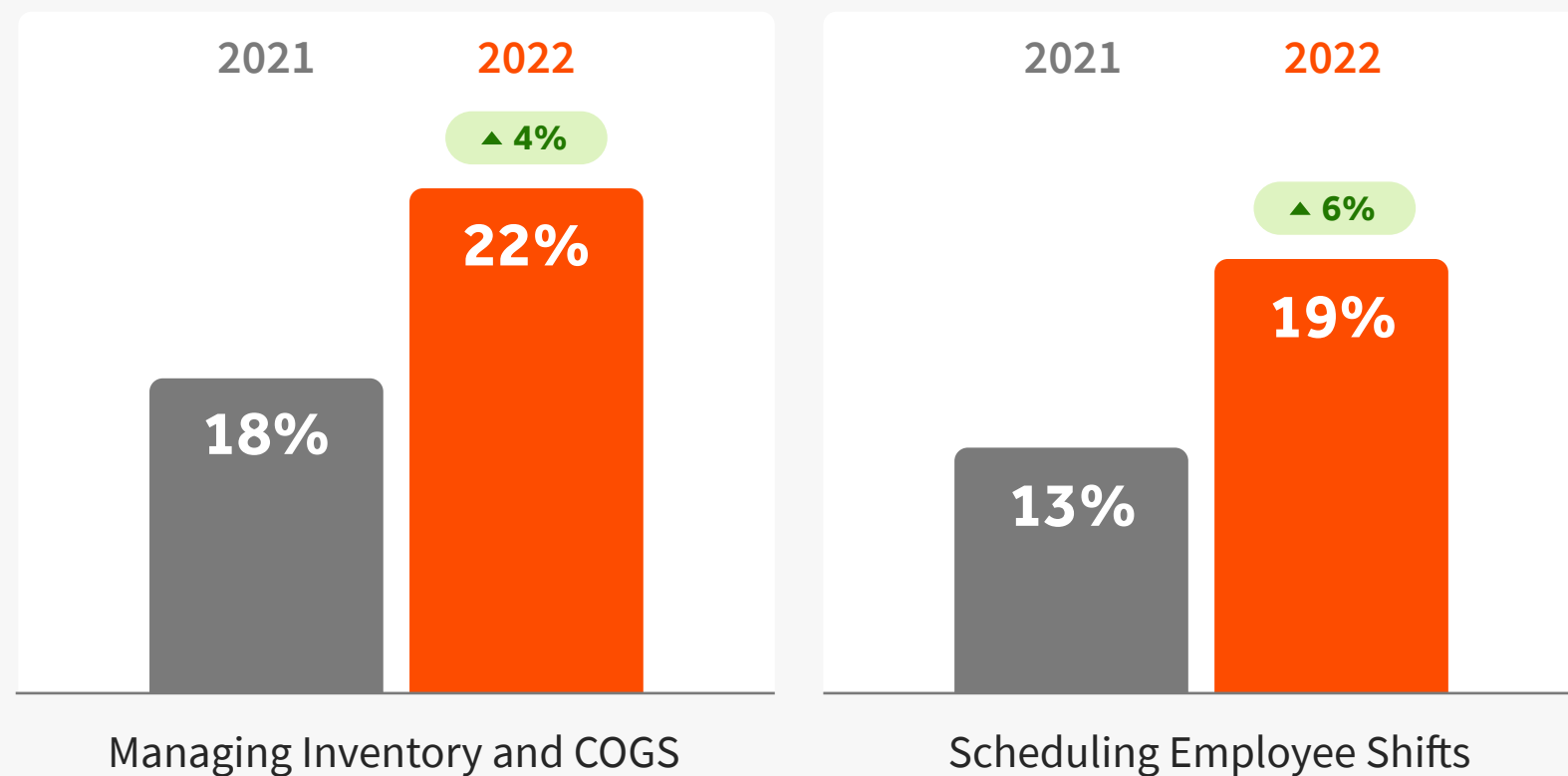Data from The National Restaurant Association, Restaurant Trends Survey 2021

The top technology challenges in 2022

In the face of challenges, restaurants are turning to technology to help optimize operations, and claw back some margin.

2021	2022
18%	▲ 4% 22%

Managing Inventory and COGS

2021	2022
13%	▲ 6% 19%

Scheduling Employee Shifts

Managing inventory & COGS is the top tech challenge

When listing their top three restaurant technology challenges in 2022, the two most popular include managing inventory and COGS (22% ranked in top 3 challenges, up 4% YoY) and scheduling employee shifts (19% ranked in top 3 challenges, up 6% YoY).

Data from Toast research conducted from May 13, 2022 - June 28, 2022, with a base sample size of 956 restaurant decision-makers that are primarily SMB restaurant operators. All report data sources and research methodology described on page 3.

Top takeaways for 2023

Adding to the complexity is the fact that restaurants at different stages of growth have different challenges that require certain features and capabilities. The same is true when looking at the top challenges between quick-service restaurants (QSR) and full-service restaurants (FSRs), and multi-unit operations (MUOs) and single-location operations.

QSR $500K+ **FSR**

24%

18%
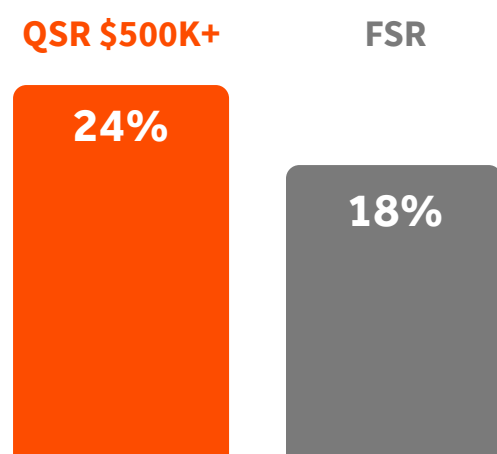
QSRs that have over $500,000 in gross merchandise volume are **significantly more challenged with scheduling**

QSRs that have over $500,000 in gross merchandise volume (GMV) are significantly more challenged with scheduling (and view employee-related matters as increasingly important) vs FSRs (24% vs 18%).

This QSR cohort likely has to navigate greater complexity because they have more employees that need schedules set and managed. On average, QSR $500K+ respondents have 3.4 locations. The complexity of navigating employee shifts across locations can test scheduling technology — especially non-integrated, piecemealed systems.

Employee experience becomes especially important for these scaling QSRs because they have to keep more positions filled, increasing the importance of employee retention.

The same is true with MUOs and their third-party integration workflows. MUOs may simply have a more complex operation that requires more technology and integrations than single location operations.

19%

MUO

14%

SL
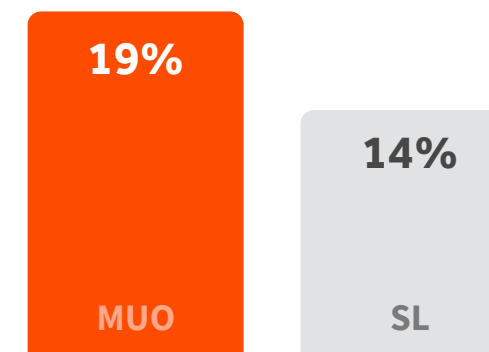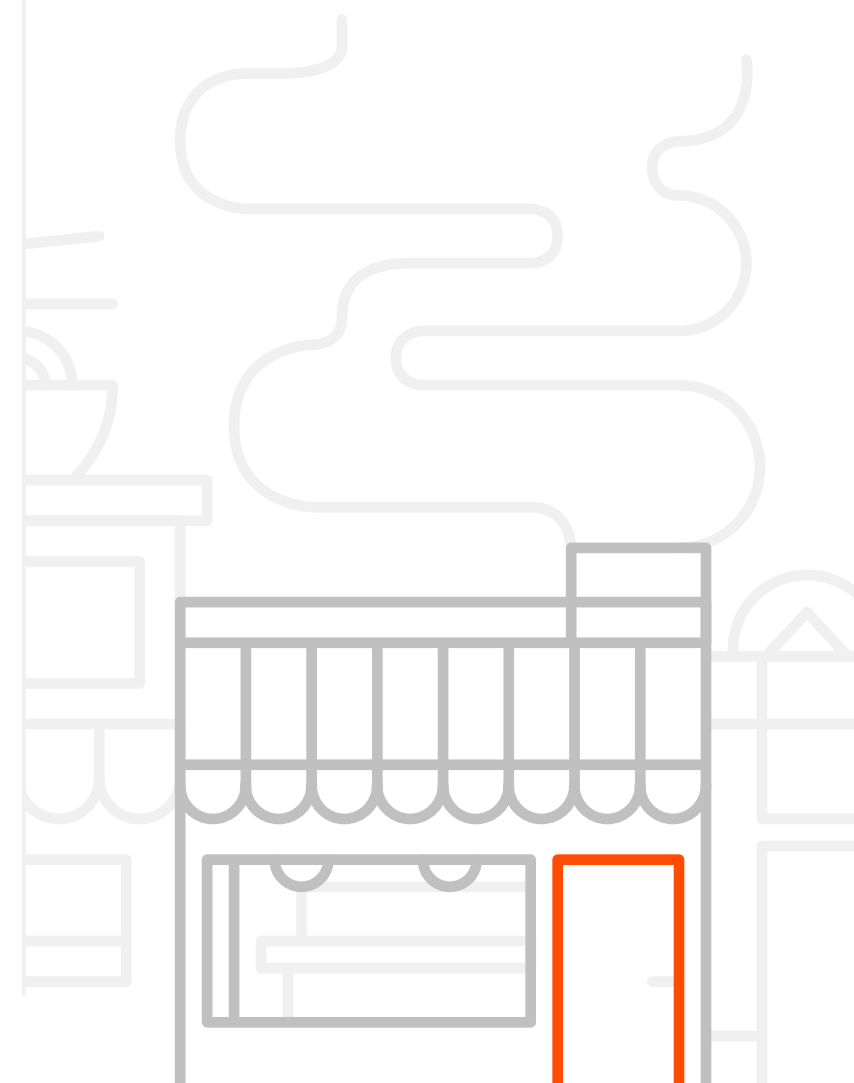
Multiple-unit operations struggle more with workflow **disruptions caused by 3rd party integrations**

16%

MUO

20%

SL
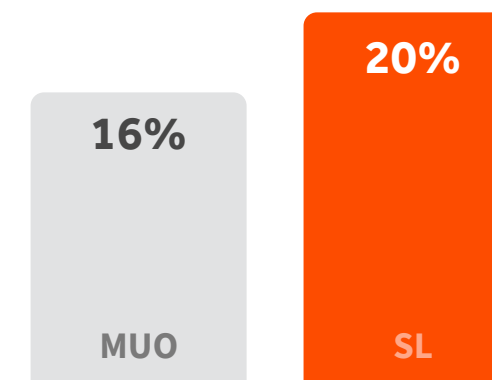
Whereas single locations (SL) struggle more with **driving guest demand**

Technology offers opportunity to improve experiences, increase growth

Technology is also enabling restaurant operators to streamline their service models, adding new sales channels and offering efficient self-service options for dine-in.

This blended approach is exhibited through Toast's New Steps of Service, which helps satisfy evolving guest preferences by allowing them to control their own dining journey, and helps alleviate labor struggles — all enabled by Toast's innovative restaurant technology.

77%
Restaurants offering **4+ order channels** in 2022

63%
Restaurants employing **7+ different service models**

60%
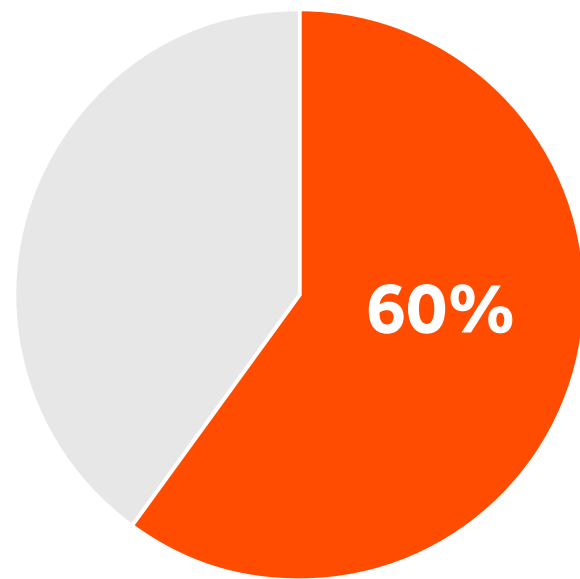
Restaurants are blending quick and full service

Approximately 60% of restaurants offering service models that blend elements of traditional quick service and full service.

Learn about the dynamic service model empowering restaurants

Toast's New Steps of Service addresses tired service steps and shaky guest experiences, with restaurant-specific technologies powering service models that remove the outdated balance of control and give guests the power to order and pay as they like.

Learn more

Two restaurant challenges stand out for 2023

When looking at all of these insights, two key themes emerge: **inflation and rising costs,** and **ongoing restaurant labor struggles.**

The next two sections are deep dives into these themes, covering the challenges they present as well as tactics for combating them.

Managing inflation and rising costs

Restaurants are navigating inflation, protecting their profitability

Inflation is everywhere. Many Americans are experiencing such levels of inflation for the first time — both consumers and business operators, and especially restaurateurs.

Growing inflation is "extremely" or "moderately" challenging for 34% of restaurants.

Despite this challenge, **consumer spending has remained strong.** Restaurant profits and revenues continue to grow — though we can see the impacts of inflation here, as restaurant revenue is up 12% YoY while profits are up only 8% YoY.

7%
27%
48%
12%
6%
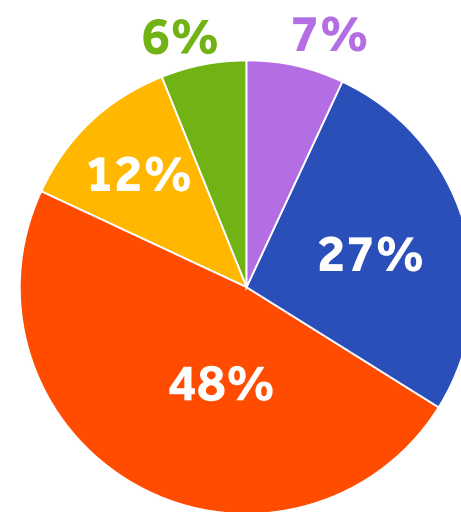
- ■ Extremely challenging
- ■ Moderately challenging
- ■ Slightly Challenging
- ■ Not very challenging
- ■ Not at all challenging

Ideally, restaurants would be able to maintain the same level of profitability as they grow revenue. This is difficult to achieve as food inflation and other costs e at into profits.

Our data shows inflation challenges have varying effects on different restaurant types.

With inflation rampant, restaurant owners will look for every way possible to avoid raising prices further, by automating as much of their businesses as possible with technology."

CHICKEN MEETS RICE

Shone Tran
Co-Founder at Chicken Meets Rice

Data from Toast research conducted from May 13, 2022 - June 28, 2022, with a base sample size of 956 restaurant decision-makers that are primarily SMB restaurant operators. All report data sources and research methodology described on page 3.

Inflation challenges have varying effects on different restaurant types

Inflation challenges are compounded for QSRs, with twice as many listing them as "extremely" challenging compared to FSRs:

10%
QSRs listing inflation as "extremely" challenging

5%
FSRs listing inflation as "extremely" challenging

QSR operations may be finding inflation so much more challenging than FSRs because of their menu price point thresholds. QSRs traditionally provide fast, value-centric menu items. As such, their guests may have a lower threshold for any increases to already low menu prices.

The QSR segment is also newer to the space. These operators may not have as much experience working with their vendors or navigating supplier negotiations. On the other hand, larger FSRs have more scale, and thus, more negotiating power with suppliers.

On the supplier side, ongoing turbulence from the pandemic and the war in Ukraine (especially rising wheat and grain prices) persisted throughout the supply chain.

Much of these disruptions and subsequent price increases are being passed to restaurants. It's up to individual operations to determine how much added costs they want to pass along to their guests.

Hack your restaurant's menu using data & psychology

Take this course to make the most of your menu. Learn about menu psychology and design, managing your menu online, and adapting your menu to increase sales.

Learn more

Data from Toast research conducted from May 13, 2022 - June 28, 2022, with a base sample size of 956 restaurant decision-makers that are primarily SMB restaurant operators. All report data sources and research methodology described on page 3.

Restaurants have a plethora of inflation-fighting tactics at their disposal

Let's dive into some of the tactics restaurants have implemented to counteract inflation challenges.

> Restaurants are going to have an interesting set of choices, probably in the back half of 2023. One of those choices will be around pricing: 'Do I maintain the high prices that I've increased? And keep them there if inflation starts to tail off?' I think we're at the breaking point on raising prices. It will be a question of, 'Can I hold it? Or should I lower it?' This may force restaurants to look at their menu mix and most profitable menu items and test and learn. 'Should we keep that price and see if it holds? Or should we lower it or throw more promos into the mix?"

Chris Comparato, CEO of Toast

There's a surprisingly large toolbox at restaurant operators' disposal. This is especially true for operations that previously hadn't implemented any such tactics.

Tracking Costs
Restaurants looking to navigate food inflation should start by tracking their costs. We saw this as the most implemented response to inflation.

FLOUR   SALT   SUGAR   PEPPER
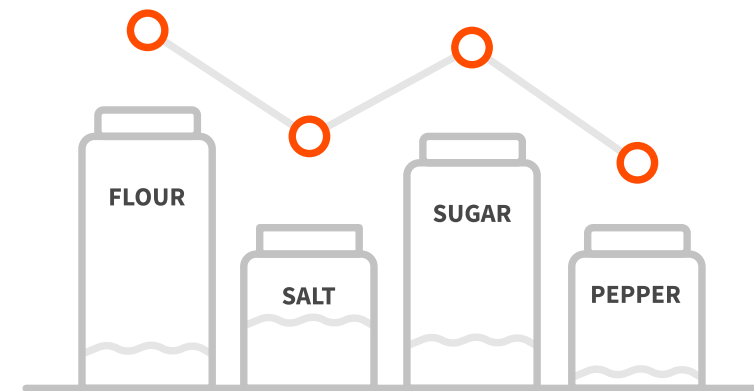
39% are tracking costs

Tracking costs enables restaurants to track changing supplier prices over time and hold them accountable for fluctuations and deviations from any pre-negotiated prices. This is especially true for FSRs that typically have a larger menu and thus a bigger product mix for their operation.

38% have adjusted food suppliers

Managing inflation and rising costs

Increasing Menu Prices

As the **Q3 2022 Restaurant Trends Report** highlights, restaurant operators have increased menu prices to cope with inflation pressure — a step that has been more popular with QSRs. This is an obvious step to take, though restaurants must be careful not to exceed any price consumer thresholds for individual menu items.

Reducing Purchasing Requirements

Some restaurants have reduced purchasing requirements in order to manage a leaner, limited inventory by eliminating menu items. This is another tactic with varying popularity between FSR and QSR segments. More FSR operations reduced the size of the inventory they carry, perhaps due to their typically larger menus.
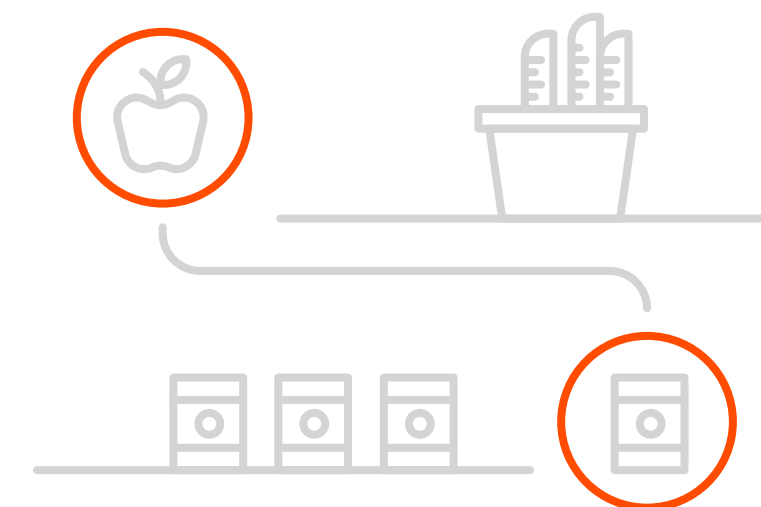
Lower-cost Ingredients

Also on the supplier side of things, FSRs and QSRs are substituting lower-cost ingredients as a means to claw back some margin from the impacts of inflation.

36% have increased prices

31% have reduced menu items

34% have reduced inventory

30% have lower-cost ingredients

Take control of your bottom line with xtraCHEF by Toast

While there's no solving for inflation and rising costs, technology can help alleviate many of its pains.

With features like **invoice automation, recipe costing,** and **inventory management,** xtraCHEF by Toast helps you maximize productivity and the ability to proactively manage costs — over time and across locations, menu items, and more.

But don't just take it from us: "Even if it did nothing but invoice automation, I'd recommend it to every restaurant in the country," says Brian Keefe, Finance Manager at Okay, Cool Group.

Learn how xtraCHEF by Toast can help your business →
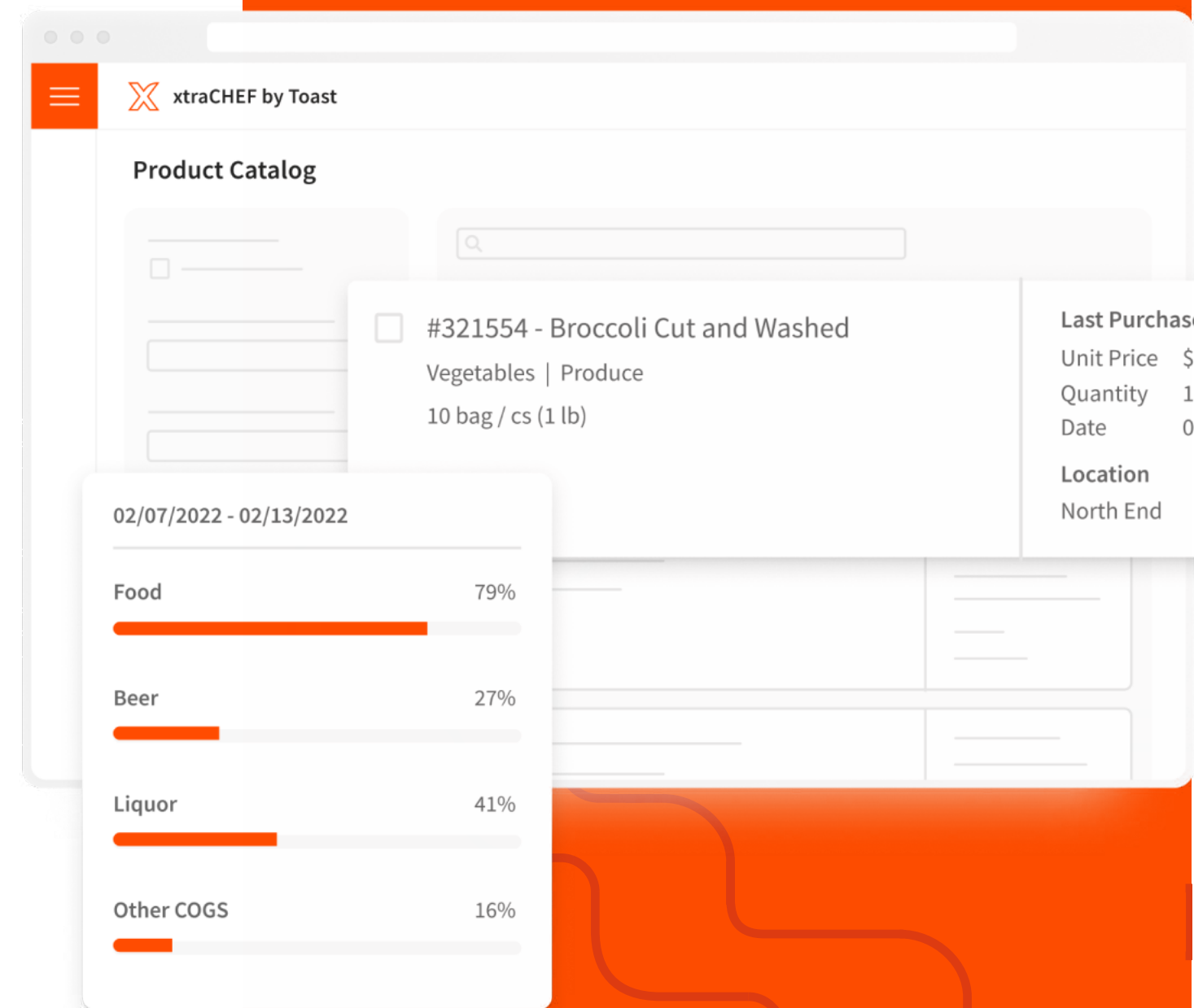
Resources to help you mitigate inflation challenges

It's tough out there for restaurants. There's no other way to slice it.

Record inflation is well entrenched. Global events are leading to increased food costs and contributing to volatile supply chains. Restaurants are left to determine where and how to increase menu prices and pass costs on to guests.

We want to let you know you're not going at it alone. Here's a collection of free tools and templates, articles, and even some courses to help you navigate these challenges.

Free tools & templates

Ready to implement restaurant cost control measures? →
Use this guide to learn more about your restaurant costs, how to track them, and steps you can take to help maximize your profitability.

See how efficiently you turn sales dollars into profits →
Use this free Restaurant Profit Margin Calculator to help consistently capture and track your profit margin.

See why invoice automation is key for costing and inventory →
Use this guide to learn more about your restaurant invoices, the value within, and how to consistently and accurately tap into it to make smarter decisions.

Evaluate your metrics to improve performance →
Use this free calculator to calculate the key restaurant metrics needed to understand the health and success of your business.

Want to create consistency in your kitchen? Here's how. →
Use this template to create recipe cards that will enhance your back of house training and stabilize your profits by cutting down on waste and Gincorrect portioning.

Actionable articles

How Restaurants Can Navigate Food Inflation and Protect Profitability →
Put rising food inflation into historical context and uncover action items to help protect profits and remain agile in the face of sustained economic pressure.

How Restaurant Costs Breakdowns Can Boost Financial and Operational Performance →
Restaurant operators must understand the costs they're up against if they want to optimize performance, turn a profit, and scale their business.

How to Implement a Restaurant Menu Pricing Strategy →
There's no real one-size-fits-all menu pricing strategy. Follow these steps to figure out what works for your restaurant.

Helpful courses

Hack your restaurant's menu using data & psychology →
Learn about menu psychology and design, managing your menu on your website and on third-party delivery sites, and adapting your menu when your restaurant is growing.

Overcoming ongoing industry labor struggles

Hiring, retention, scheduling, and other challenges continue to impact restaurants

Labor struggles are right up there with inflation as a top restaurant challenge.

While inflation is new to most operators, these labor woes have persisted for quite some time — even pre-dating the pandemic.

At its peak, in February 2020, the **U.S. restaurant industry** employed 12,360,600. Bureau of Labor Statistics data shows that prior to that, the average change in total U.S. restaurant employment

was 0.24%. February 2020 employment numbers dropped 5% then plummeted 46% in March 2020, from 11,753,800 to 6,364,600.

The numbers have been positive since December 2020, though MoM increases in the rate of employment have slowed down in 2022 compared to 2021.

Change in restaurant employment
Based on U.S. Bureau of Labor Statistics, Food Services and Drinking Places: NAICS 722
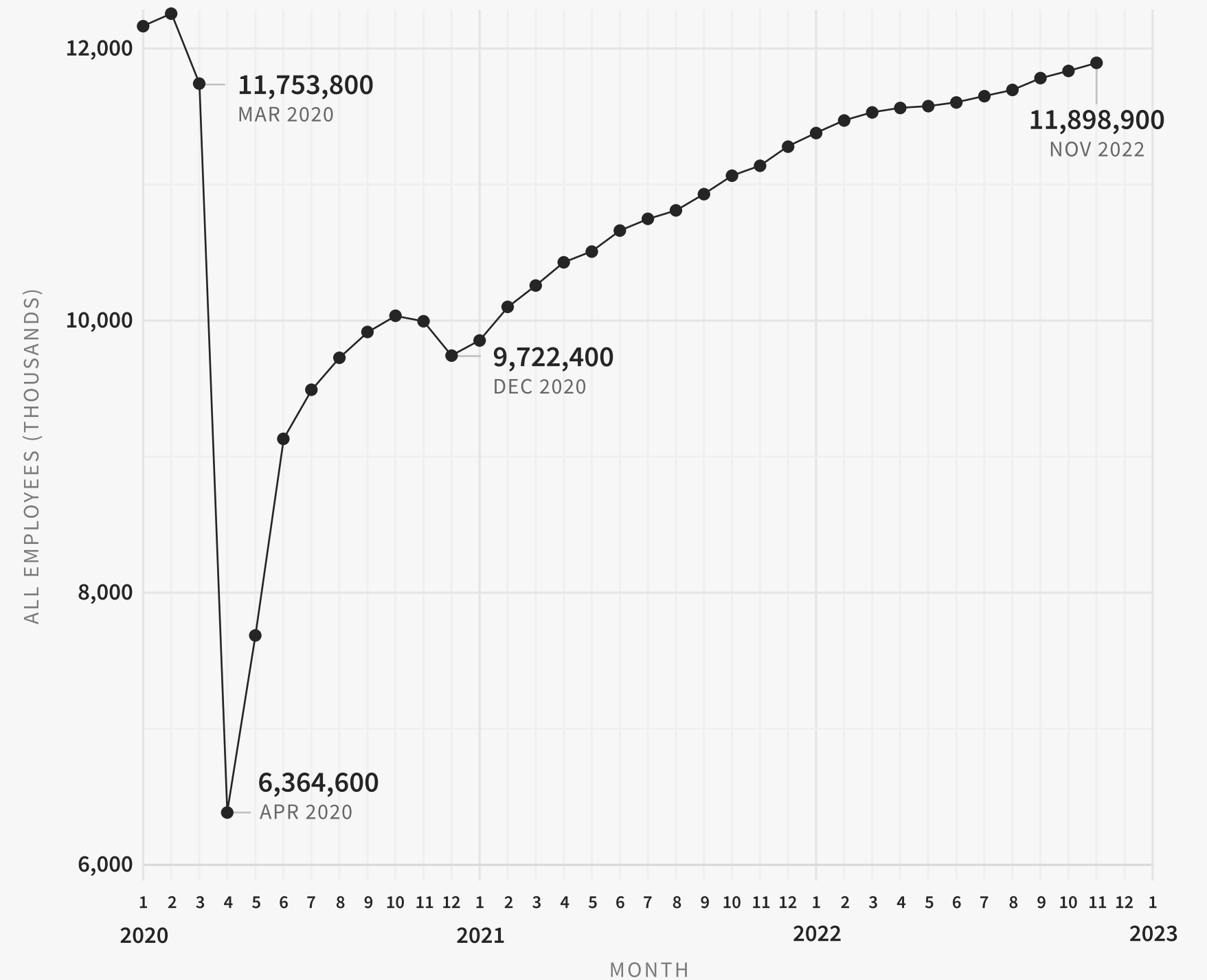
Data from U.S. Bureau of Labor Statistics, Food Services and Drinking Places: NAICS 722

Overcoming ongoing industry labor struggles

Hiring slowdown shows up in our survey data

Labor challenges are more pronounced in new restaurants than existing ones:

44%

of new restaurants are facing moderate or extreme labor challenges

Compared to 32% for existing restaurants

Hiring challenges are significantly more burdensome for MUOs, compared to YoY trends:

32%

of restaurants are facing moderate or extreme labor challenges

33%

of restaurants are facing moderate or extreme labor challenges

Sourcing and hiring aren't the only employee management struggles restaurant operators are facing. Challenges with employee scheduling are up 4% YoY, with QSRs driving the increase.

This makes sense given the ongoing restaurant labor shortage. It's hard enough to find, hire, and retain talent. Restaurants can't afford to be understaffed because the employees they have are having scheduling issues.

14%

of respondents rank employee scheduling as a top three pain point

Compared to 10% in 2021

"I think a trend you'll start to see when the labor shortage is at an all-time high is that a restaurant's ability to retain an employee is how they're going to lead in the market. If a restaurant can retain employees and keep them happy, they're going to be able to deliver a great experience to diners and do all the things that come with having a very consistent, predictable talent pool. Restaurant operators are going to have to increasingly think about employee happiness and retention tools in their toolkits in a way that they haven't had to before because labor was always available to them"

Elena Gomez, CFO of Toast

Overcoming ongoing industry labor struggles

Payroll management is another common restaurant labor challenge. It's particularly impacting QSRs more than FSRs.

QSR payroll struggles are also more persistent in 2022 than in 2021.

18%

of QSRs surveyed rank payroll as a top three pain point, **compared to 13% for FSR**

18%

of QSRs surveyed rank payroll as a top three pain point, **compared to 13% in 2021**

I believe that we are all going to have to reevaluate our service model. Full service restaurants are going to have to find a way to adapt and adjust to a big shift in labor/staffing needs vs requirements. Find a way to get more out of less staffing while paying higher wages to maintain service levels and keep the best staff."

JT Riley, Director of IT Systems and Special Projects at Taste of Belgium
on what 2023 holds for restaurants
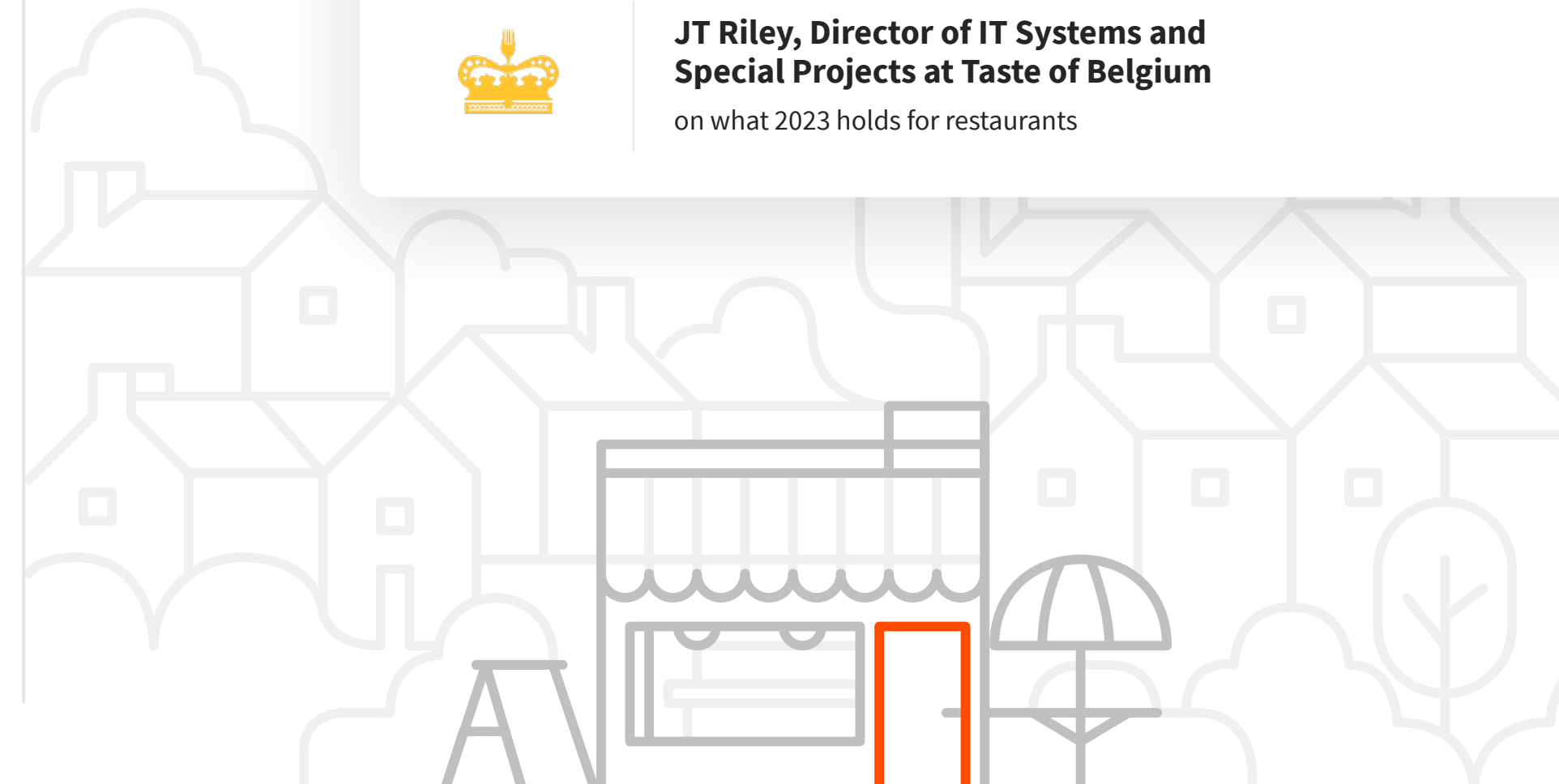
Cutting back has been the top tactic thus far for handling labor challenges

Cutting back on operating hours and operating staff are two drastic tactics that restaurant operator respondents employed to lessen the blow of labor challenges — especially QSRs.
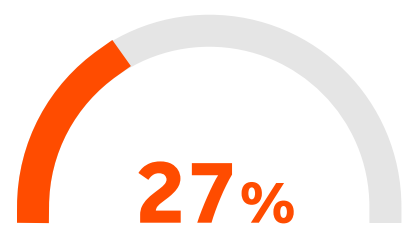
27%
QSR respondents who reduced their days/hours of operation

20%
FSR respondents who reduced their days/hours of operation

23%
QSR respondents who reduced staff headcount
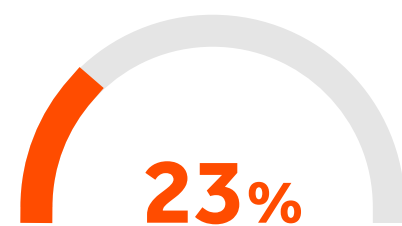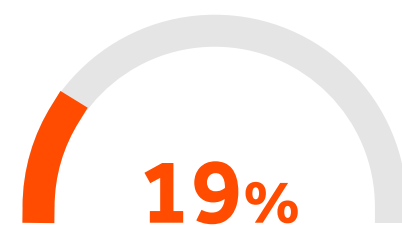
19%
FSR respondents who reduced staff headcount

Along with these, operations are increasing the importance of employee training and benefits programs in an attempt to retain more talent.

45%
Restaurant respondents who see employee training increasing in importance

42%
Restaurant respondents who see employee benefits increasing in importance

Employee training is even across segments, though FSRs are placing significantly more importance on employee benefits than QSRs.

44%
FSR respondents who see employee benefits increasing in importance

38%
QSR respondents who see employee benefits increasing in importance

36%
QSR +$500K respondents who see employee benefits increasing in importance

Data from Toast research conducted from May 13, 2022 - June 28, 2022, with a base sample size of 956 restaurant decision-makers that are primarily SMB restaurant operators. All report data sources and research methodology described on page 3.

Make managing your team that much easier with Toast Payroll & Team Management

You can't control labor shortages, but you can control your employee management process and take steps to improve employee retention.

Toast Payroll & Team Management — with additional features like **Scheduling** and **Toast Tips Manager** — can help you speed up employee onboarding, simplify payroll, and ensure your team is paid on time.

But don't just take it from us: "When I learned that Toast can handle payroll

and scheduling, it was kind of a no-brainer to consolidate vendors to save on costs and time," says Marc Buhagiar, General Manager of **Harris' Restaurant.** "We've saved 15-20 hours a month. We used to spend a whole day doing payroll every two weeks."

Learn how Toast Payroll & Team Management can help your business →
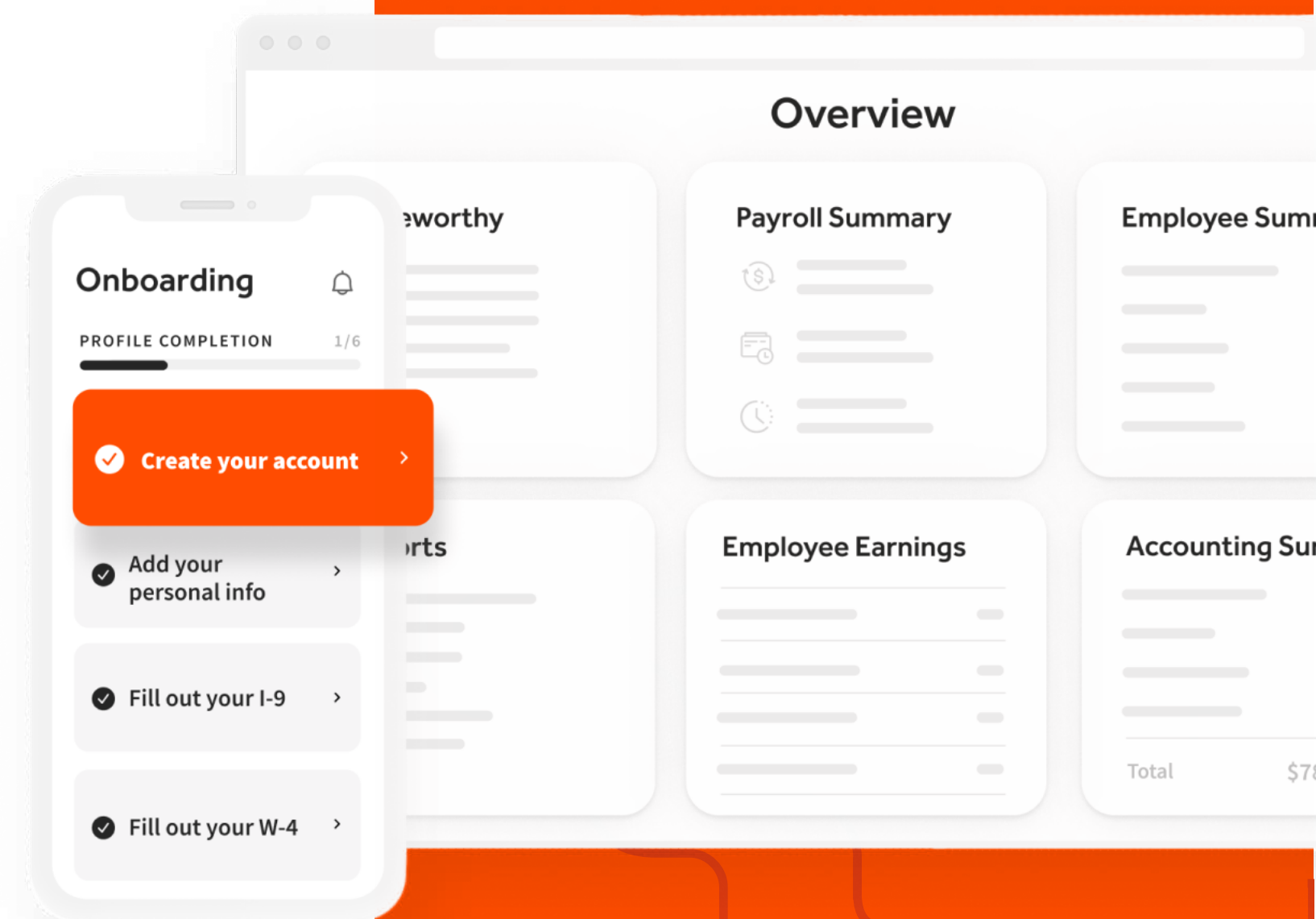
Resources to help you manage employee retention issues and rising labor costs

The restaurant staffing crisis seems like it's in part due to labor scarcity.

With this in mind, getting more restaurant labor into the workforce isn't really something any individual restaurant can solve.So what area of the staffing problem can restaurant people influence? Retention.

There are many tactics operators can take to **foster retention** and control costs, including **tip pooling,** optimized scheduling, more efficient steps of service, streamlined onboarding, and more. Here's a collection of free tools and templates, articles, and even some courses to help.

Free tools & templates

Build a schedule that balances availability and busy shifts →
Use the Restaurant Scheduling Template to more easily schedule your restaurant staff's shifts.

Easily distribute tips using the tip pooling method →
Download the Tip Pooling Calculator to learn how to distribute tips back to your restaurant's employees using the tip pooling method.

Make it easier for you to lead and your staff to succeed →
Use this restaurant training manual template to create a custom training manual for your restaurant, outlining staff expectations, functions of their role, rules, and other employee specific policies.

Actionable articles

How to See Shortages as a Restaurant Staff Retention and Churn Crisis →
Learn how restaurant operators can soften the blow of the larger labor shortage by combating churn and encouraging retention within their existing employee base.

How to Lower Restaurant Labor Costs in 2022 →
Read on to see how to take more control over your labor costs and learn about actions that can help maximize your restaurant's profitability this year, while keeping your staff's needs in mind.

Report: Combat the Restaurant Worker Shortage with Technology →
The 2022 restaurant labor shortage is a massive problem in the industry. Here's how guest-led technology can help.

How to Create an Effective Restaurant Training Manual [Template] →
A restaurant training manual makes it easier for you to lead and for your staff to succeed.

How to Write Restaurant Job Descriptions Around Values →
If you want help to attract and hire the staff who will help you build a truly great restaurant business, write job descriptions that tell a story.
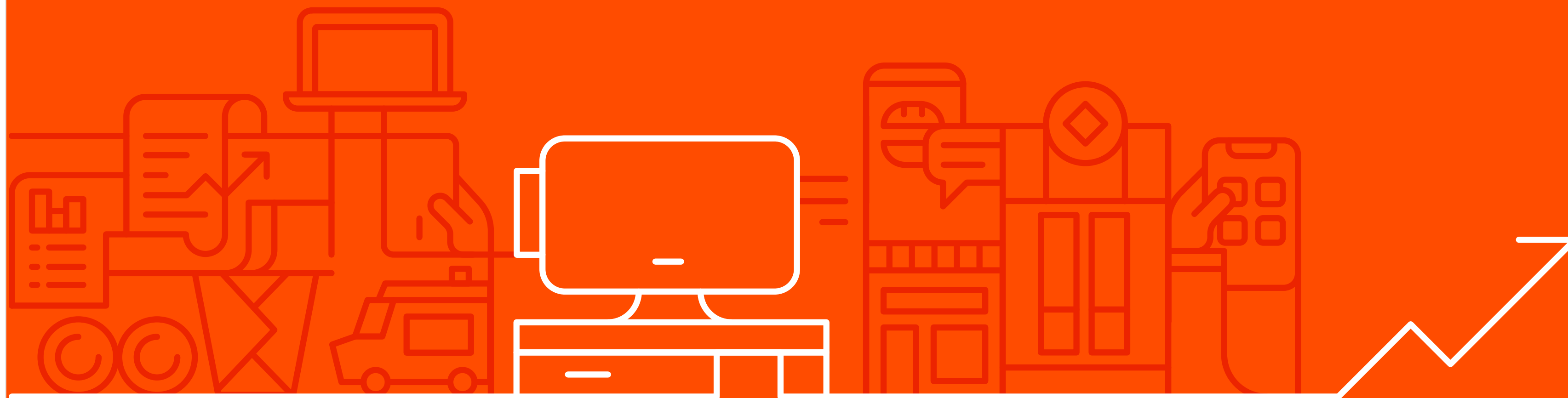
Helpful courses

Your Guide To: Restaurant Staffing →
Hear what others are doing to find, develop, and retain quality staff. Like you, they've lost a lot of staff, and probably for all the same reasons. But now, with fresh approaches, they're rebuilding their teams with talented, high-performing people. So can you. And here's how.

Technology's role in restaurant success

Technology continues to play an increasingly important role in restaurant success in 2023 and beyond

With so much technology available these days, there's probably something on the market to help solve almost any problem restaurants can run up against.

Our data shows that operators are keen on implementing more technology in 2023.

The restaurant industry is becoming more tech-infused and integrated. As merchants grow in size, hardware and software integrations become more important. This change unlocks a lot of potential of what can be done with data- better understanding existing customers, targeting new ones, and getting deeper insights about the business.

Uber

Roy Frenkiel
Director of Product Management,
Merchant at Uber

76%
of restaurant respondents expect to spend more on restaurant technology over the next 12 months

A look at which technologies restaurant operators surveyed already use shows that POS (82%) is most popular, followed by payroll (56%) and accounting (55%) software.

82%
POS

56%
Payroll

55%
Accounting

Data from Toast research conducted from May 13, 2022 - June 28, 2022, with a base sample size of 956 restaurant decision-makers that are primarily SMB restaurant operators. All report data sources and research methodology described on page 3.

Technology's role in restaurant success

POS continues to evolve and splinter into distinct, digital order and payment systems. Our data highlights a consistent gulf in adoption of these digital tools between restaurants with +$500K GMV versus those with less than $500K.

	+ $500K	< $500K
Mobile payments	55%	46%
Mobile ordering	51%	38%
Restaurant handled devices	49%	38%
Digital menus	50%	33%
1st party food delivery	48%	38%
Restaurant-owned online ordering software	45%	36%

> "Digital ordering has evolved from being a simple augmentation of hospitality into the de facto foundation of a successful service model, while human touches are now the augmentation. The new digital first hospitality model is creating an overall more powerful service experience that puts customers first and gives them the most customized service experience possible."

Shone Tran, Co-Founder at Chicken Meets Rice
on what the future has in store for restaurants

CHICKEN MEETS RICE

Technology currently being used by restaurants

%	Technology
82%	POS
56%	Payroll
55%	Accounting
53%	Guest Wifi
52%	Mobile payments
51%	3PD
51%	Employee scheduling
50%	Invoicing / procurement mgmt
48%	Employee benefits
48%	Social media marketing
47%	Mobile ordering
47%	Inventory mgmt
46%	Restaurant handheld devices
45%	Bill payment software
45%	1st party food delivery
45%	Employee performance mgmt
45%	Digital menus
42%	Employee pay card
42%	Your own online ordering software
39%	Email marketing software
39%	BI or reporting / analytics
39%	Instant pay for employees
37%	Website builder
37%	Loyalty program mgmt
36%	Recruiting software
35%	Reservation software
34%	Gift card software
32%	SMS marketing
29%	Tip pooling software

Data from Toast research conducted from May 13, 2022 - June 28, 2022, with a base sample size of 956 restaurant decision-makers that are primarily SMB restaurant operators. All report data sources and research methodology described on page 3.

Technology's role in restaurant success

With inflation and labor struggles being paramount, it's interesting to see that employee scheduling, employee benefits, and invoice/procurement management all fall outside the top five most-used restaurant tech among respondents.

Even more interesting is the difference in current restaurant tech usage when we split between FSR, QSR, and QSRs over $500K GMV.

	FSR	QSR	QSR +$500K
Payroll adoption	**59**%	**50**%	**50**%
Accounting	**58**%	**47**%	**47**%
Employee scheduling	**54**%	**41**%	**43**%
Invoice / procurement mgmt.	**53**%	**44**%	**49**%
Employee benefits	**52**%	**40**%	**41**%

A majority of FSRs surveyed are already using payroll, employee scheduling, and benefits, as well as invoice and procurement management.

FSRs that don't capitalize on the benefits of employee management tools are in a shrinking minority — and QSRs aren't too far behind them.

I believe that we will be seeing more examples of a kind of mix of fast casual and dining-in experience. As operators learn how to get better with less labor in front of the house, there are going to be more and more concepts arising that are like counter service but still providing an upscale dining experience. Similarly, I think we will see more dining rooms staffed by only food runners and the dining guest simply orders at the table using an APP or POS (no server - just runners)."

Scott McCurdy, Culinary Director at US Foods
on the future of restaurants in 2023 and beyond

I think that it's a matter of listening to your customers and figuring out how to create a great experience for all. For some people, using digital tools like a kiosk or QR code — is hospitality to them. And that's a better experience. Other people want to come in and say hi and talk. And that's okay, too. If restaurants can use technology to enhance their experience, which means restaurant workers can focus on higher value activities, then I think that's a win for hospitality and a win for the guests who can get a better experience."

Steve Fredette, Co-founder and President of Toast

Data from Toast research conducted from May 13, 2022 - June 28, 2022, with a base sample size of 956 restaurant decision-makers that are primarily SMB restaurant operators. All report data sources and research methodology described on page 3.

Resources to help optimize your restaurant technology usage

Technology will continue to play a critical role in the future of restaurants.

It starts with a strong foundation in front-of-house and back-of-house tools, including innovative point of sale platforms, as well as employee and cost management tools.

From there, it's on to adding additional sales channels via online ordering, takeout, and delivery. Then there are tools for marketing your operation, across email, loyalty, and strategic gift cards.

Here are some guides to help you determine the tools and systems right for your business.

Free tools & templates

Find the right POS for your restaurant's unique needs →
A free, customizable Restaurant POS Comparison Tool to research and compare point of sale systems in one Excel spreadsheet or editable PDF.

Find the right POS for your cafe or bakery's unique needs →
Compare POS systems for your bakery and cafe. You can use this document and checklist to organize your notes in one place.

Find the right POS for your bar's unique needs →
Use this Excel workbook and/or editable PDF to compare the hardware options and software features that are most important for your bar or lounge.

Find the right POS for your pizzeria's unique needs →
Comparison Tool to research and compare point of sale systems in one Excel spreadsheet or editable PDF.

Actionable articles

The New Steps of Service →
Restaurants that adopt the New Steps of Service can potentially become more profitable, with more satisfied guests and better-paid employees. Learn the steps to take to help make that happen.

How Much Does a Restaurant POS System Cost? →
What factors into the cost of restaurant POS systems? A breakdown of upfront hardware costs, recurring software costs, and other things to keep in mind.

40 Restaurant Management Apps and Tools to Help Supercharge Productivity →
40 restaurant management tools and apps designed to help improve productivity. Streamline front- and back-of-house operations so you can focus on what really matters.

New Year, New Employee Management Software: An Easy Time to Switch Restaurant Payroll Software →
Switching your payroll processing platform at the top of the year will help you start with a clean slate.

The Best Bar POS Systems: 10 Must-Have Features (2022) →
The right bar POS system and features can help increase visibility into your profit margins and help you better understand your customers and business.

Toast can take you into 2023 and beyond

Toast is committed to empowering restaurants to delight guests, do what they love, and thrive.

We exhibited our flexibility with our product innovation and agile roadmap during the COVID-19 pandemic. And we continue pursuing that mission. We're built for you and designed to scale as your business grows.

For front-of-house, our guest-focused products harmonize to unlock Toast's New Steps of Service, a dynamic, guest-centric service model. Our online ordering capabilities add new sales channels in addition to in-person dining.

For the back-of-house, our payroll, team management, and employee scheduling software dovetail with our cost control tools. The combination helps empower restaurants by giving visibility into expenses allowing restaurants to take control of prime costs and analyze and improve profit margin.

If the past few years are any indicator, 2023 has plenty of twists and turns in store for the restaurant industry. We'll be there to face the challenges head on with you.

Learn more about Toast now →