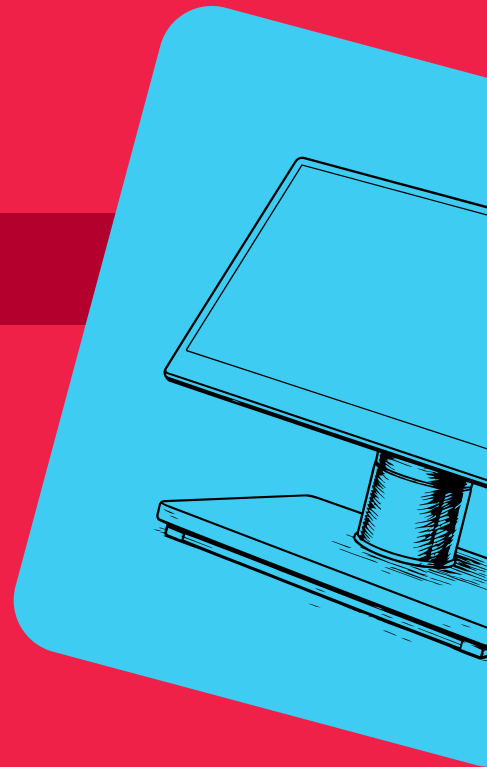
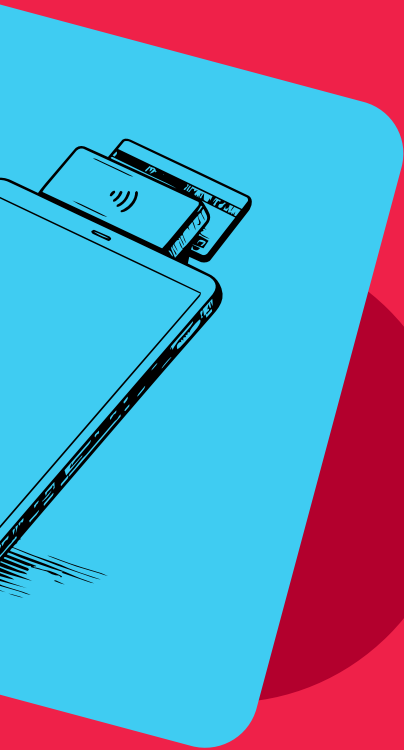




7th Annual Industry Report

2026 STATE OF DIGITAL & BEYOND:
THE RESTAURANT TECHNOLOGY BENCHMARK

The Year of Serving Smarter





2026 STATE OF DIGITAL & BEYOND:
THE RESTAURANT TECHNOLOGY BENCHMARK

The Year of Serving Smarter

QSR and Fast Casual brands enter 2026 in a more disciplined operating environment. Traffic remains uneven, labor constraints persist, and margins continue to tighten.

The industry has moved from *experimentation* to *execution*, defined by operational stability, intelligent decision-making, and a unified guest experience. Brands are focused on optimizing new channels while closing operational gaps.

This year's survey examines how restaurant leaders are navigating that shift, and where they are investing to improve performance, resilience, and margin control.



**Seven Years.
Seven Charities.**

In honor of our seventh annual industry report, we donated to seven charities supporting causes important to our restaurant participants.



Top 6 Trends in 2026

01

Guest Experience Leads Spend, Fragmentation Limits Impact

Brands are investing in guest experience, but alignment between systems and operations hasn't caught up. Operational execution and consistent experiences are top priority to improve. Execution is the bottleneck, not innovation.

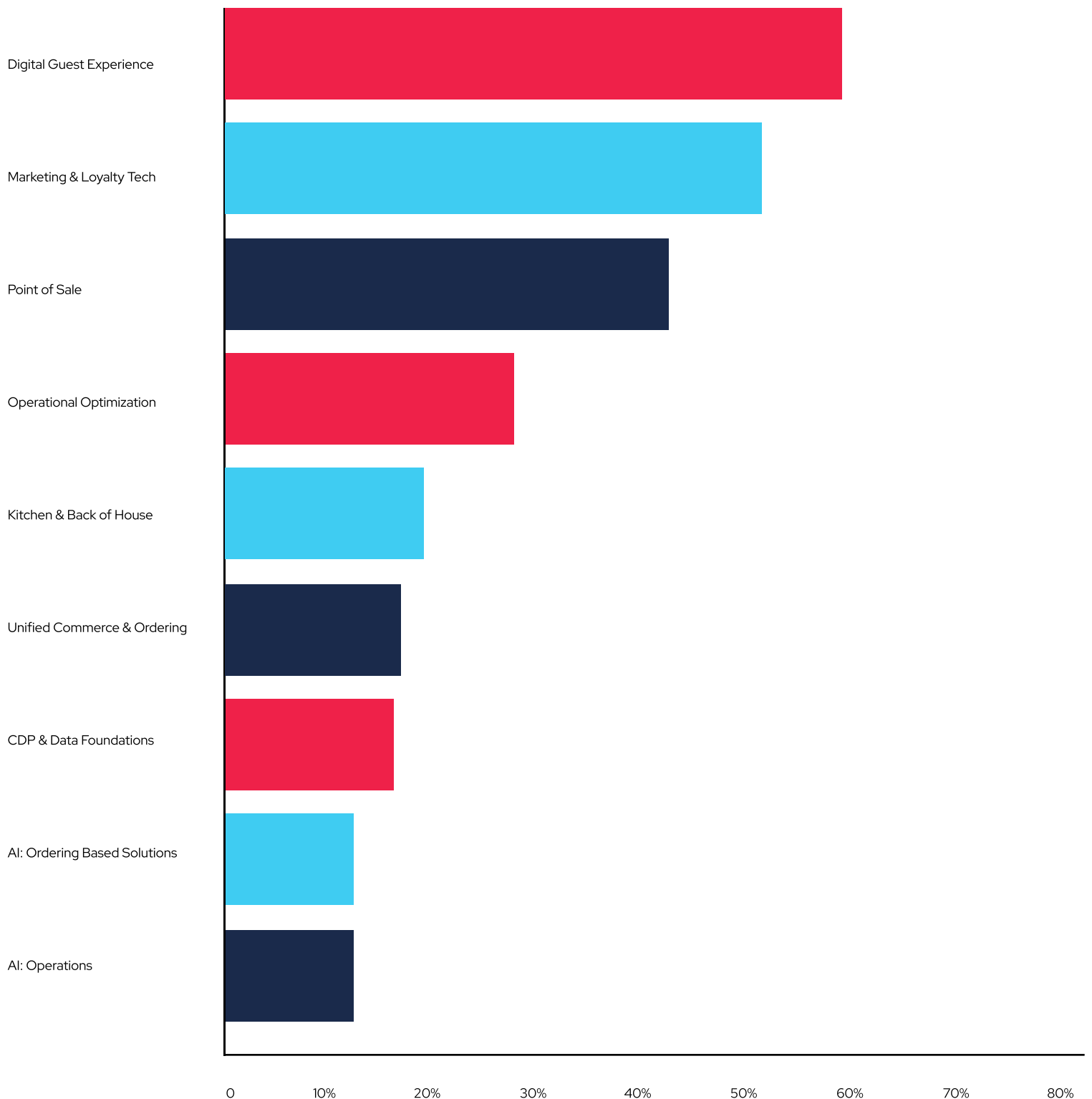
Top Tech Investment Areas

57% rank Digital Guest Experience as a top investment

Unified Commerce increased from 14% to 17%

41% are investing in POS Modernization

CDP dropped from 34% last year to 16% this year



Top 3 Barriers to a Better Guest Experience Across Channels

While brands are investing heavily to improve the guest experience, they cited operational execution, system fragmentation, and labor challenges as barriers.

55%

Operational Execution

37%

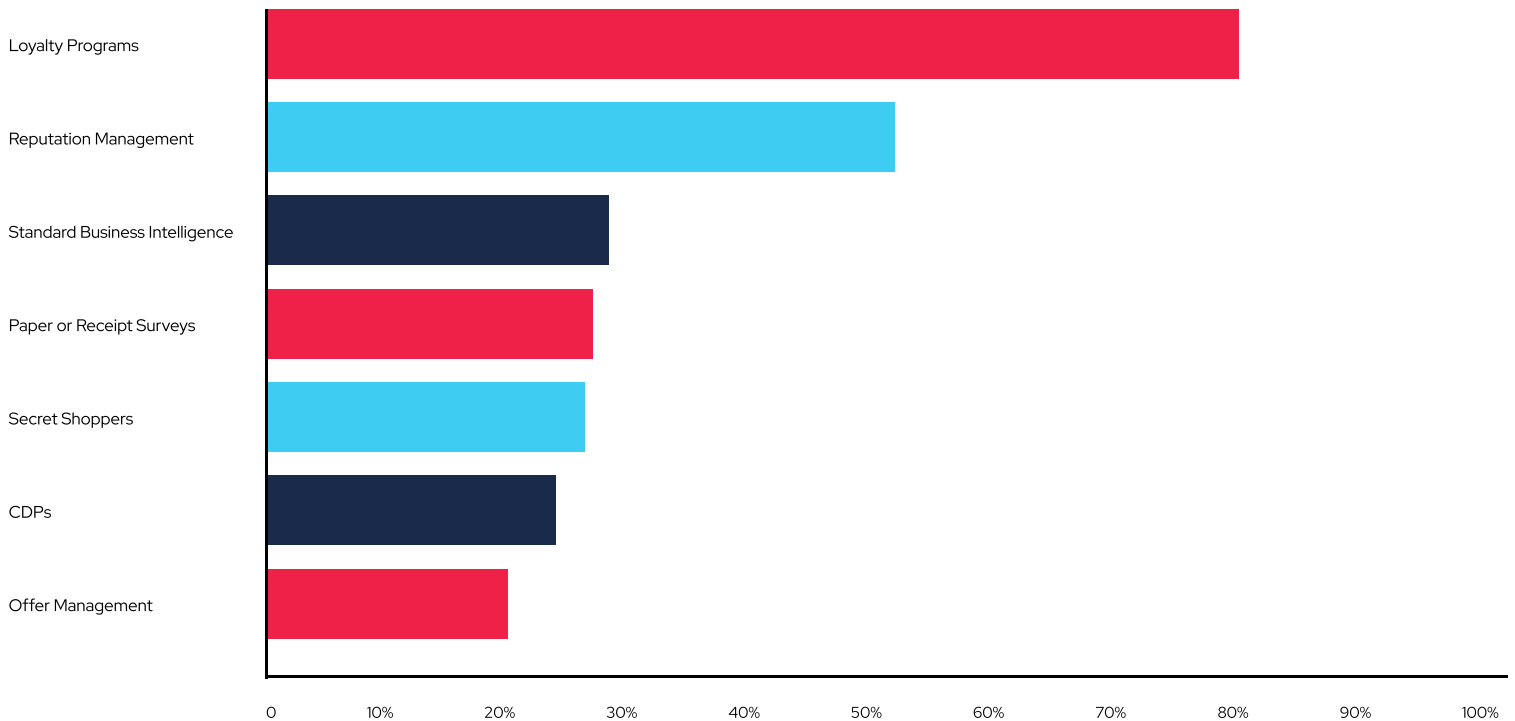
Fragmented Systems & Data

29%

Labor Turnover & Staff Retention

Guest Insight Tools

Loyalty remains the primary system of record for guest understanding. Reputation management and business intelligence also play a big role.



Fast Casuals say execution QSRs say fragmentation hinders a unified guest experience

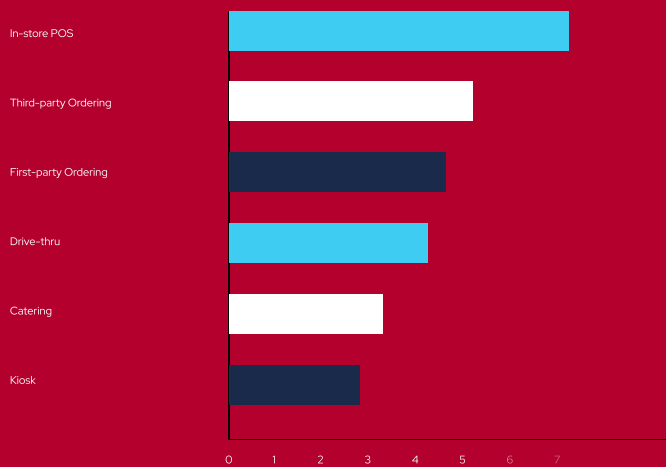
Fast Casual operators feel the greatest strain from operational challenges (60%), whereas QSRs more often cite fragmented systems and disparate data (44%), reinforcing the need for aligned operational and technology strategies.

02

Digital Scale Exposes Operational Vulnerabilities

Digital has amplified risk at the core of the operation. In-store POS remains the primary revenue anchor, third-party ordering ranks highest for system instability (35%), followed by first-party ordering (27%).

Top Ordering Channel, in Terms of Total Sales

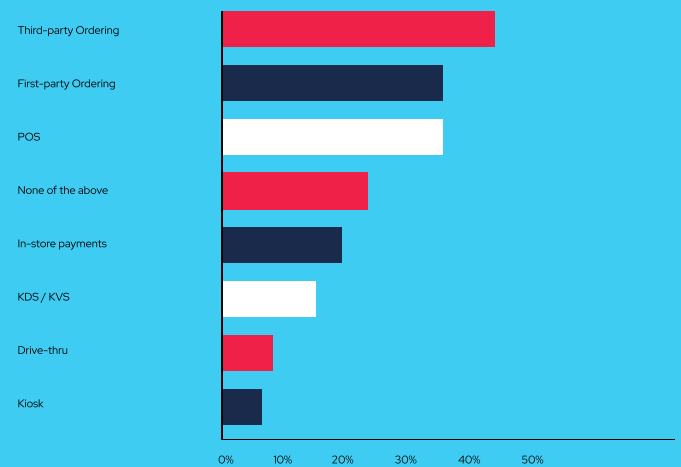


60%

selected in-store POS as the top performing order channel

In-store POS remains the primary revenue driver, while both third-party and first-party ordering contribute meaningfully to overall sales.

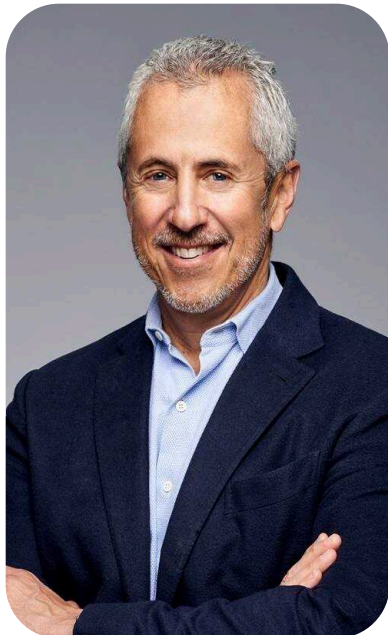
Area of System Instability Affecting Brands Most



35%

of respondents identified third-party ordering as having the highest instability

This highlights ongoing challenges around integration, reliability, and operational dependency on external platforms as digital volume continues to scale.



"The insights in this year's report offer a thoughtful roadmap for operators navigating this moment. As technology evolves, the heart of hospitality remains exactly the same: creating experiences that make guests feel seen, welcomed, and eager to return. The brands that will thrive in this next chapter are the ones that treat technology not as a collection of features, but as a foundation for hospitality and operational excellence."

DANNY MEYER

FOUNDER & EXEC. CHAIRMAN, UNION SQUARE HOSPITALITY GROUP
FOUNDER, SHAKE SHACK
FOUNDER, HOSPITALITY QUOTIENT

03

AI Moves from "If" to "Where" but Value Lags

AI investment has crossed the tipping point, with 73% of brands investing now or within the year. Outcomes are early, but only 9% note meaningful impact, and 33% report that value is still emerging.

73%

of brands are investing in AI.

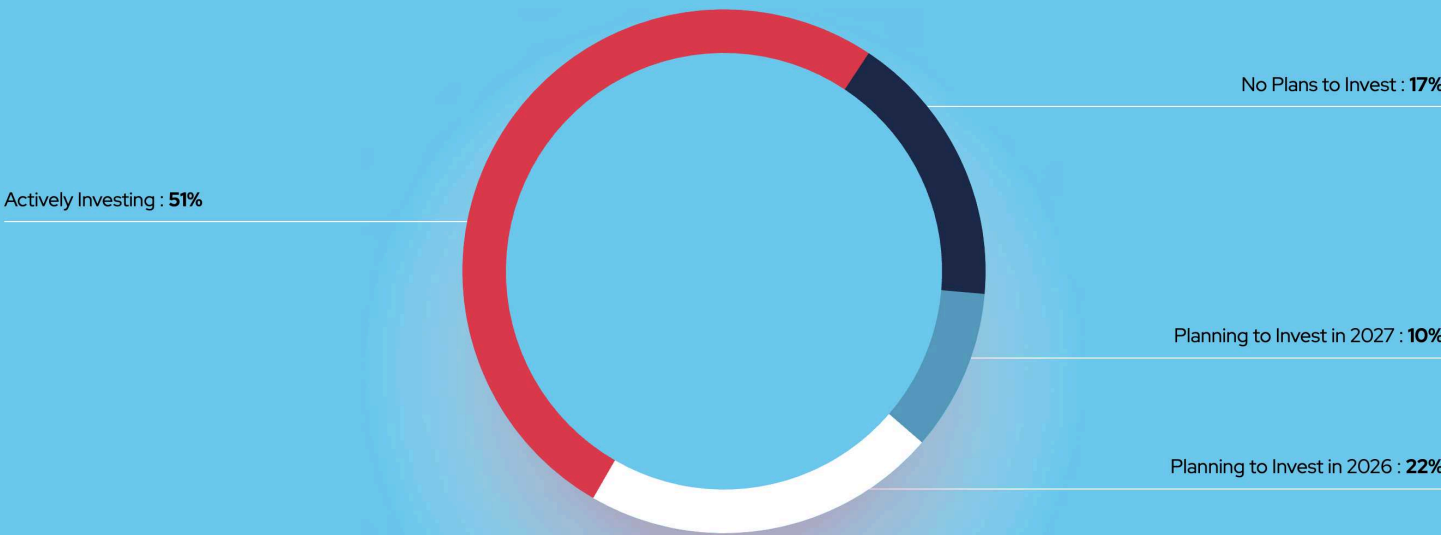


AI has moved into active investment: 51% investing today, and another 22% plan to begin in 2026, meaning the majority are "now or this year." And it's still early in turning investment into scaled outcomes.

QSR (56%) is far more likely to be investing today, compared to Fast Casual (45%).

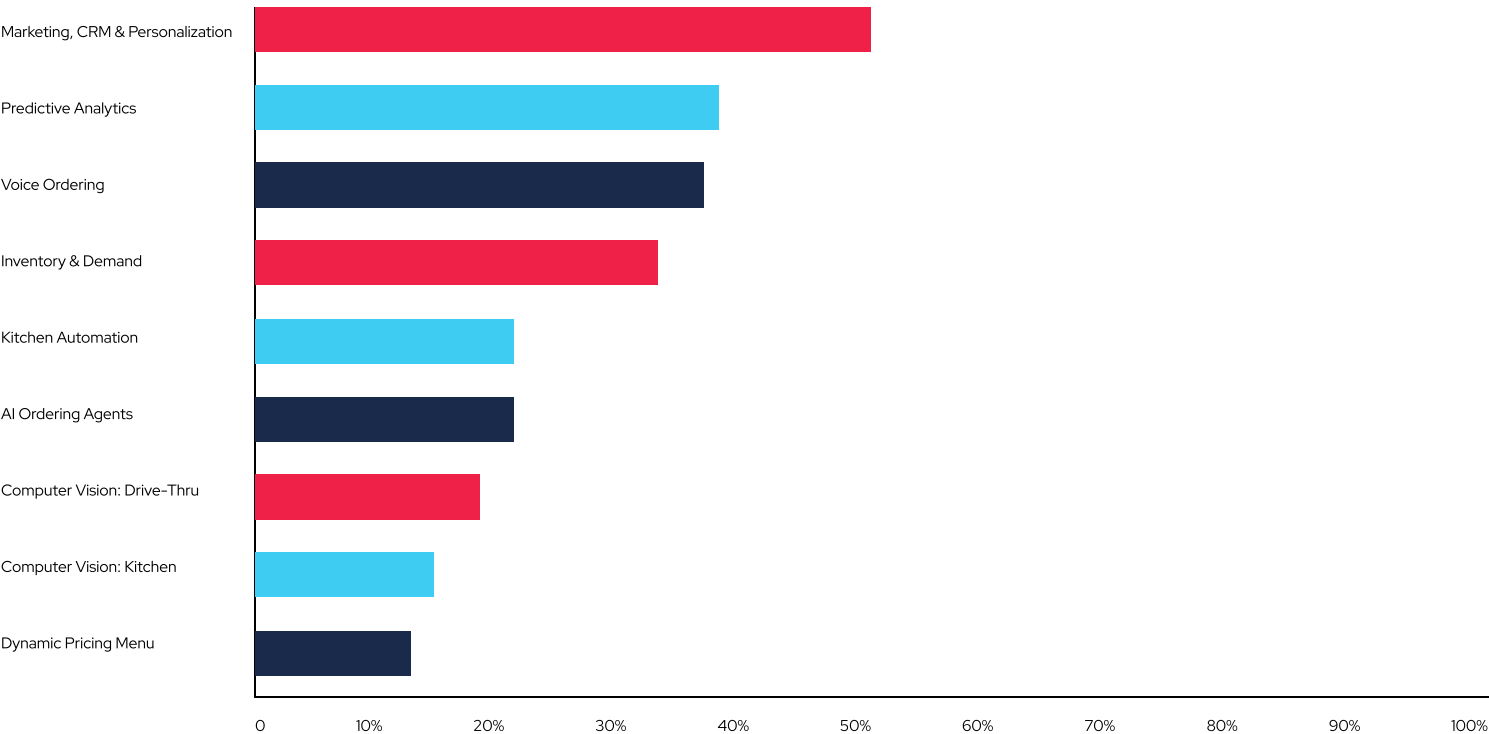


Investing in AI



Where AI Spend is Going

AI investment is focused on guest growth first—CRM, personalization, and marketing—followed by predictive operations and voice ordering. QSRs are investing significantly more in front-of-house AI, particularly voice ordering and drive-thru computer vision.



AI Value is Maturing, but Transformation is Rare

Brands are largely in a proof-of-concept scaling stage, with one-third of respondents reporting AI value is emerging, holding promise for the future.

43%

Report Limited Value

33%

Report Emerging Value

09%

Report Meaningful / Transformational Impact

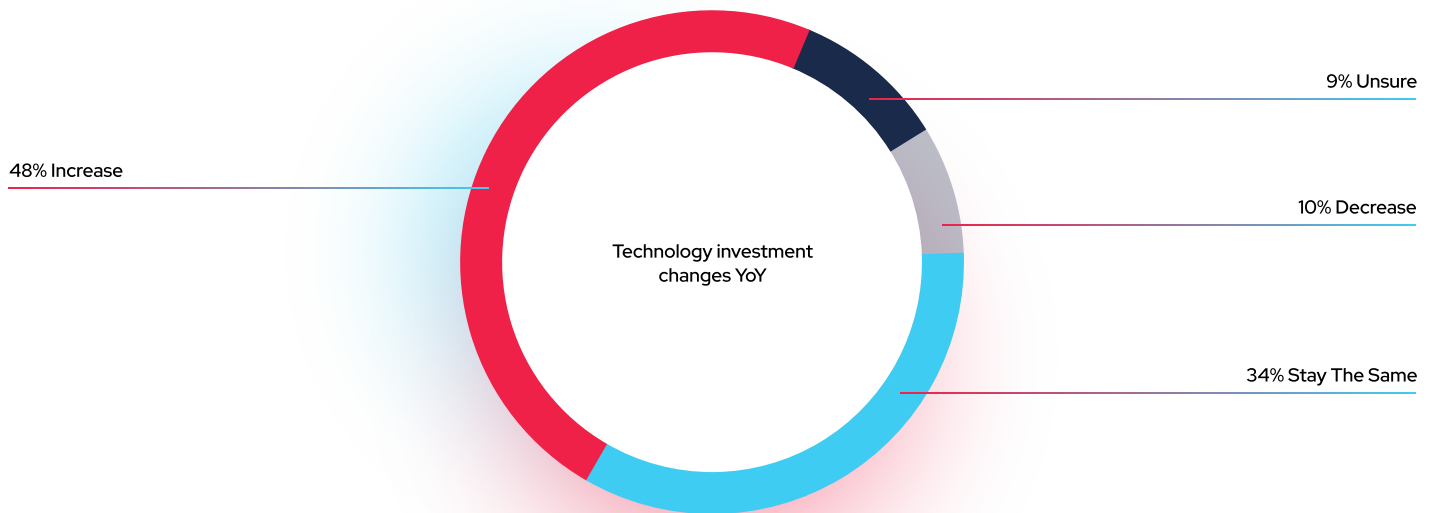
04

Tech Spend is Increasing Despite Margin Pressures

Investment momentum is notably stronger among QSR brands, with **54%** planning to increase spend on new technology in 2026, compared to **44%** of Fast Casual restaurants.

This gap suggests QSR operators are accelerating digital and operational investments to remain competitive in a high volume, efficiency driven environment.

Almost **half** of all **brands** expect their tech investments to increase in 2026.



05

Digital Sales Grow, QSR Momentum Accelerates

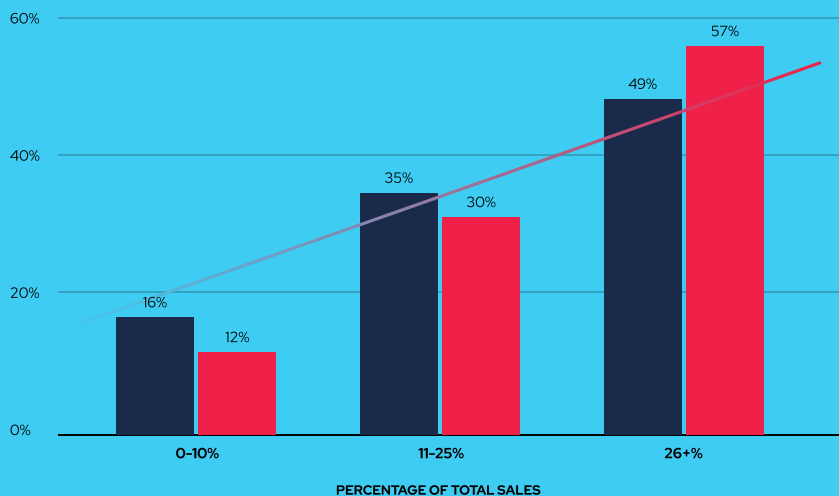
Multiple digital channels are now table stakes. Success depends less on piloting new channels or testing flashy point solutions and more on optimizing them while closing operational gaps. Digital focus has shifted from adoption to integration, efficiency, and profitability.

PY (2024-2025) COMPARISON

% of total sales from digital channels

2-Year Digital Sales Performance

■ 2024 ■ 2025



57%

of brands generated more than 25% of total sales through digital channels in 2025 —an 8 point increase year over year

QSR vs Fast Casual: Percent of Sales from Digital Channels

The digital adoption gap is narrowing.
QSRs are catching up.

After the digital mix stabilized for both segments in 2024, QSRs with digital sales greater than 26% gained 10 points in 2025 (jumping from 23% to 33%). Almost a quarter of Fast Casual brands now report over 40% of their sales come through digital channels.

QSR

FC

>26% Digital Sales

32%

60%

11-25% Digital Sales

49%

28%

0-10% Digital Sales

19%

12%

% of total sales from QSR v FC

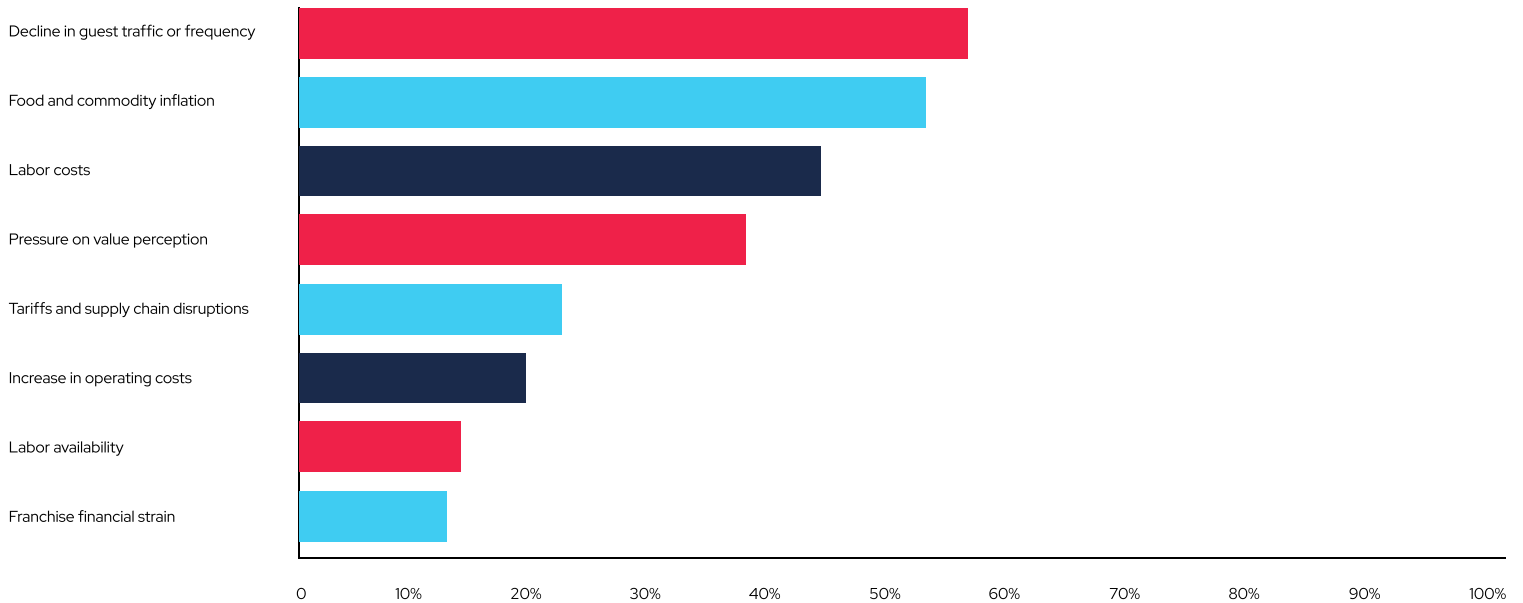
06

Macroeconomic Pressure is Driving a Shift Toward Smarter Commerce

Brands have shifted from "growth-at-all-costs" to efficient, margin-focused strategies. Solutions focus on value, menu innovation, operational improvements, and AI, signaling a renewed emphasis on demand stimulation and menu-led traffic growth.

Macroeconomic Conditions with Greatest Impact

Universally, pressure was driven primarily by declining guest traffic, inflation, and rising labor costs in 2025.



Fast Casual vs. QSR: Macroeconomic Headwinds

Fast Casual brands have heightened pressure around rising costs, and QSRs are feeling price sensitivity from their guests.

Fast Casual

Inflation and labor costs continue to weigh heavily on operators.

56%

of fast casuals impacted by inflation

Quick Service Restaurants

Guest price sensitivity increases tension between margin protection & value expectations.

44%

QSRs report heightened pressure around value perception and discounting expectations.

How Brands are Responding

Promotions and discounts, along with new menu items and limited-time offers (LTOs) emerged as the most effective strategies for improving both revenue and margins. This highlights operators' continued reliance on demand stimulation and menu innovation to drive traffic.

Most effective strategies for improving revenue & margins

Loyalty fell from the top spot in 2024 to #4 in 2025

1

Promotions / discounts

2

New menu items or LTOs

3

Marketing Campaigns

4

Loyalty or Rewards Programs

5

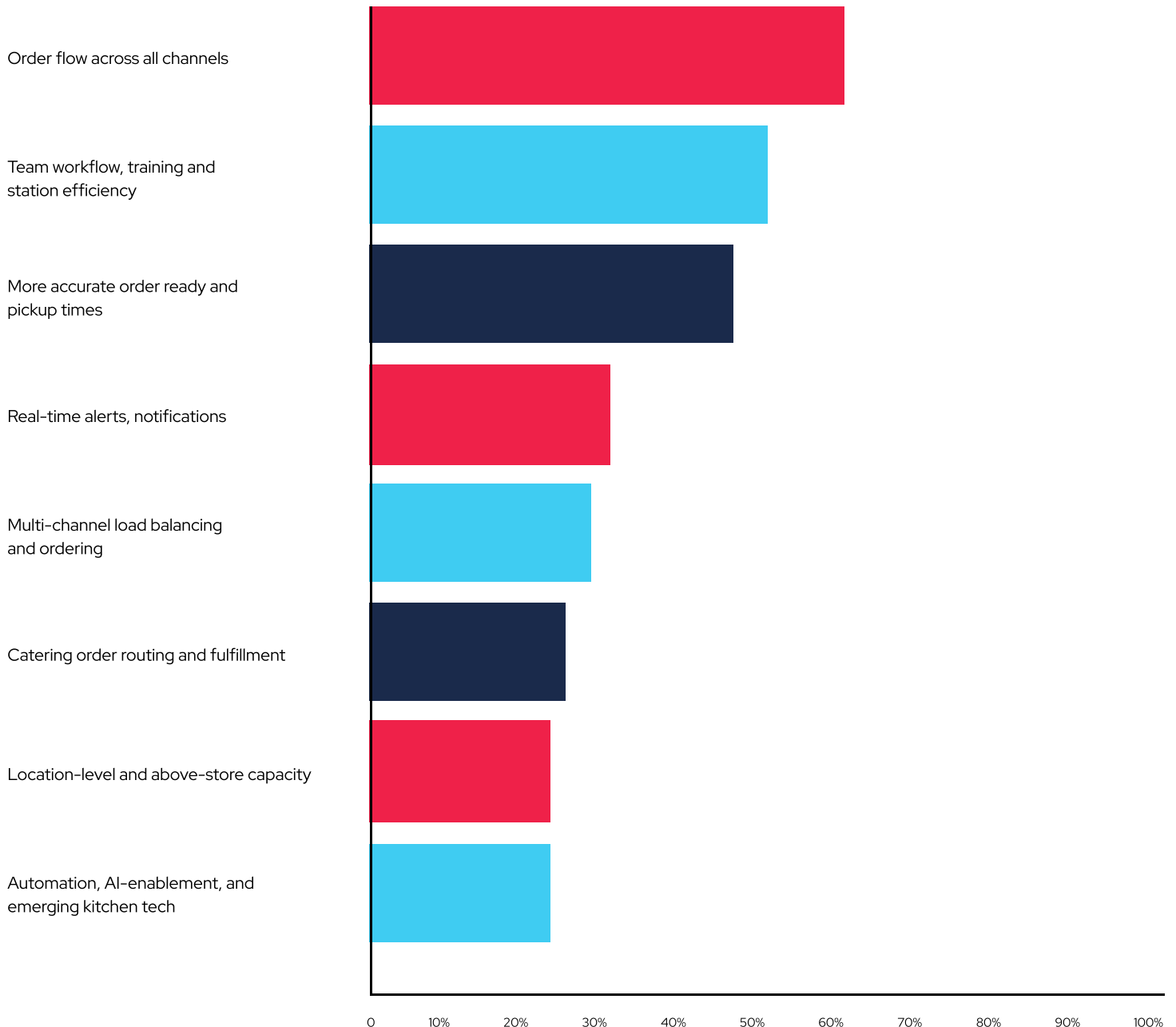
Operational Improvements that Reduce Cost or Improve Throughput

6

Upselling or Bundled Meal Offers

Operational Improvements Planned in 2026

Discounting and innovation can drive traffic, but they also strain operations. As complexity increases, performance becomes a kitchen problem. In fact, 62% of brands say improving order flow across all channels is their top priority for 2026, followed by team workflow (52%) and more accurate ready and pickup times (48%).



Demographics

Survey Methodology

Participation was voluntary and limited to Fast Casual and QSR brands over 20 locations. Respondents completed an 20-question survey via an online survey tool.

168

Brands Participating

94K

Locations Represented

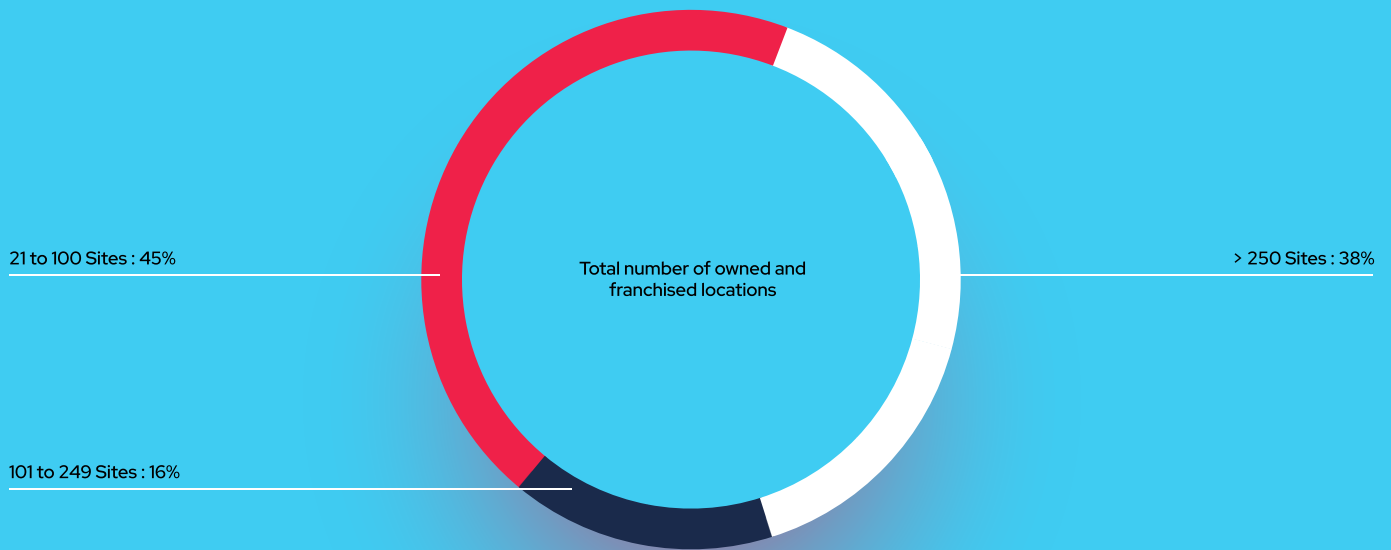
20+

All participating brands had 20 or more locations

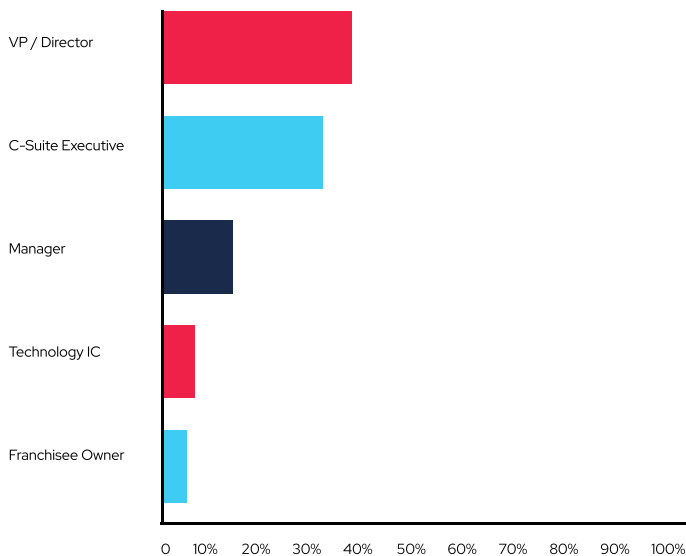
74%

of respondents are director, VP, and above.

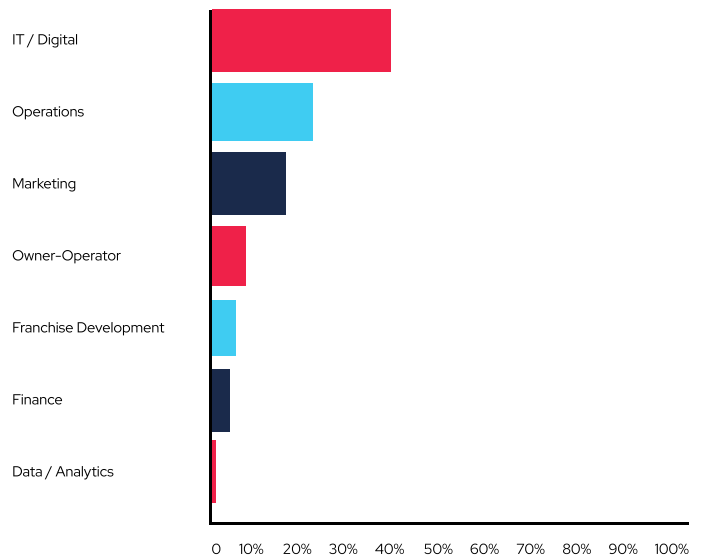
Total number of owned and franchised locations among participants.



Job Level



Job Function





"To effectively address the challenges surfaced in our 2026 report, restaurants need intelligent systems built on unified data. Without that foundation, AI becomes another tool layered onto disconnected systems rather than a true growth engine."

AMIR HUDDA, CEO, QU

Serve Smarter With Qu

If you want to learn why restaurants are replacing their legacy tech with a modern platform, let's talk.

