



Key Trends in the Restaurant Industry

By Ben Coley, Editor of QSR magazine

What's driving change, what's working, and what to watch

A Little Bit About Me

- I've worked at QSR Magazine for almost six years, and served as editor for nearly three years.
- Previous experience in newspapers



2024 RANK	COMPANY	CATEGORY	2024 U.S. SALES MILLIONS	2024 AUV THOUSAND \$	2024 FRANCHISE DILICENSED UNITS	2024 COMPANY UNITS	2024 TOTAL UNITS	TOTAL CHANGE IN UNITS FROM 2023
1	MCDONALD'S	Burger	53469	4002	12887	672	13559	102
2	STARBUCKS*	Snack	30400	1800	6777	10158	16935	589
3	CHICK-FIL-A*	Chicken	22746	7500	3054	55	3109	145
4	TACO BELL	Global	16200	2130	7106	498	7604	199
5	WENDY'S	Burger	12554	2098	5552	381	5933	-97
6	DUNKIN'	Snack	12468	1300	9734	34	9768	188
7	CHIPOTLE	Global	11111	3213	0	3644	3644	273
8	BURGER KING	Burger	10980	1639	5524	1177	6701	-77
9	SUBWAY*	Sandwich	9653	495	19502	0	19502	-631
10	DOMINO'S	Pizza	9500	1354	6722	292	7014	160
11	PANDA EXPRESS	Global	6199	2592	175	2330	2505	85
12	PANERA	Sandwich	5819	2626	1105	1101	2206	35
13	POPEYES	Chicken	5726	1819	3050	98	3148	97
14	PIZZA HUT	Pizza	5500	839	6534	23	6557	-36
15	SONIC DRIVE-IN	Burger	5384	1500	3144	317	3461	-60
16	RAISING CANE'S	Chicken	4960	6560	22	806	828	101
17	DAIRY QUEEN	Burger	4909	1165	4210	2	4212	-42
18	KFC	Chicken	4900	1336	3589	80	3669	-122
19	WINGSTOP	Chicken	4765	2138	2154	50	2204	278
20	JACK IN THE BOX	Burger	4396	2007	2037	150	2187	3
21	ARBY'S	Sandwich	4325	1300	2286	1079	3365	-48
22	WHATABurger	Burger	4257	4026	206	879	1085	88
23	PAPA JOHN'S*	Pizza	3808	1157	2752	539	3291	71
24	JERSEY MIKE'S	Sandwich	3731	1325	2970	27	2997	313
25	CULVER'S	Burger	3680	3691	990	7	997	52

2025 QSR 50

- Chipotle jumps Burger King in U.S. systemwide sales
- Chick-fil-A earns \$7.5 million in AUV, and has the third-highest U.S. systemwide sales despite only 3,100 units
- Starbucks, despite struggling in sales, opened the most stores among the top 50.
- CAVA makes first appearance on the QSR 50

26	LITTLE CAESARS*	Pizza	3500	900	3705	580	4285	69
27	ZAXBYS	Chicken	2630	2790	825	143	968	26
28	JIMMY JOHN'S	Sandwich	2599	977	2647	42	2689	45
29	FIVE GUYS	Burger	2270	1536	875	613	1488	35
30	IN-N-OUT BURGER*	Burger	2175	5240	0	415	415	15
31	BOJANGLES	Chicken	1881	2351	559	266	825	12
32	HARDEE'S*	Burger	1830	1146	1393	204	1597	-110
33	DUTCH BROS	Snack	1819	2018	312	670	982	151
34	CARL'S JR.*	Burger	1520	1430	1014	49	1063	-5
35	CRUMBL*	Snack	1435	1355	1058	1	1059	87
36	TROPICAL SMOOTHIE CAFE	Snack	1420	1005	1514	1	1515	143
37	SHAKE SHACK*	Burger	1351	3900	44	329	373	39
38	QDOBA	Global	1200	1695	613	164	777	30
39	FIREHOUSE SUBS	Sandwich	1153	973	1191	42	1233	38
40	EL POLLO LOCO	Chicken	1096	2300	173	325	498	3
41	MARCO'S PIZZA	Pizza	1051	932	1117	45	1162	46
42	MALIBU R'S	Sandwich	1018	1891	524	36	560	21
43	FREDDY'S	Burger	988	1900	515	35	550	35
44	DEL TACO	Global	957	1611	461	133	594	2
45	CAVA	Global	954	2900	0	367	367	58
46	CHECKERS / RALLY'S	Burger	853	1171	532	229	761	-26
47	CHURCH'S CHICKEN	Chicken	847	1097	602	159	761	-28
48	KRISPY KRUNCHY CHICKEN	Chicken	800	300	3168	0	3168	325
49	AUNTIE ANNE'S	Snack	786	763	1210	11	1221	23
50	TIM HORTONS	Snack	776	1188	630	23	653	22

QSR 50 Musings: What's Wrong with Starbucks?

- Starbucks has reported flat or declining same-store sales in key markets for multiple quarters.
- Long wait times; difficulties in fulfilling orders, especially through mobile or loyalty channels.
- Menu complexity has hurt speed and consistency.
- Unionization: many stores have unionized under *Starbucks Workers United*. Workers report issues like understaffing, increased workload, and lack of pay improvements.
- Rise of emerging players like Dutch Bros, 7 Brew, Scooter's Coffee

QSR 50 Musings: Taco Bell Keeps Winning

Performance & Market Share

- Q2 same-store sales rose **4%**, outpacing the limited-service category by **4 points**.
- Only brand in the **top 10 public restaurant chains** with *no negative quarterly comp sales in five years*.
- Hasn't reported a single negative week in fiscal 2025.
- Gaining visits not only from other fast-food brands but also from the **fast-casual segment**.
- Growth is broad-based: sales & transactions up **across all income bands**.

QSR 50 Musings: Krispy Krunchy Chicken

Krispy Krunchy Chicken (KKC) model: Quick-serve fried chicken located inside convenience stores and gas stations.

Expanding footprint: Over 3,000 locations nationwide, mostly in nontraditional restaurant settings.

Menu appeal: Signature fried chicken, sides, and family meals designed for both takeout and in-store dining.

Blurring lines: Convenience stores increasingly offer full-service restaurant experiences.

Consumer trend: Shoppers seeking speed, affordability, and variety in one stop.

Franchise opportunity: Low overhead, co-located with existing businesses, leverages high-traffic locations.

Impact on retail: Challenges traditional fast-food and casual dining by capturing on-the-go customers.

QSR 50 Musings: CAVA Keeps Rising

Same-Restaurant Sales Performance

- Comps **+2.1%** in Q2, outperforming peers (Chipotle -4%, Sweetgreen -7.6%)
- Slower than Q1 (+10.8%) and Q4 2024 (+21.2%)
- Two-year comps: **+16.5%**, three-year comps: **+34.7%**

Strategic Initiatives & Innovation

- **Menu:** Chicken shawarma LTO and salmon testing; cinnamon sugar pita chips debut
- **Experience & Operations:** Project Soul prototype, Connected Kitchen upgrades, TurboChef ovens, AI-powered camera systems
- **Automation & Talent:** Investment in Hyphen automated make lines; GM equity compensation and new assistant GM role

QSR's Best Franchise Deals

Cousins Maine Lobster	Great American Cookies/ Marble Slab Creamery	Kilwins	PJ's Coffee	Playa Bowls	Marco's Pizza	MOOYAH	Hot Head Burritos
Pulp Juice and Smoothie Bar	Slim Chickens	Bubbakoo's Burritos	Rita's Italian Ice	Dunn Brothers Coffee	Church's Chicken	Papa Johns	The Great Greek Mediterranean Grill

- **Franchise resilience in uncertainty:** The best brands stand out by maintaining proactive financial transparency, strong supplier ties, and supportive leadership—helping franchisees navigate inflation, labor regulations, and supply chain disruption.
- **Opportunities for growth:** Emerging concepts with low entry costs, high margins, healthy unit economics, and strong consumer appeal (like CML, Playa Bowls, and Slim Chickens) provide scalable models and long-term value for today's cautious but opportunity-driven investors.

Review of the QSR Drive-Thru Study

- **Consumer shift in behavior:** From Jan 2024–Jun 2025, dine-in, delivery, and takeout grew while drive-thru traffic declined 5–13% monthly, signaling consumers are diversifying convenience channels.
- **Evolving value equation:** Shoppers increasingly seek affordability, speed, and experience; 24% buy more pre-made grocery meals and 15% more C-store grab-and-go, raising the stakes for QSR drive-thrus.
- **Segment performance:** Classic brands were fastest overall (310 seconds), chicken brands scored highest on satisfaction (93%), and beverage brands led in order accuracy (91%).
- **Friendliness = satisfaction:** When employees were friendly, drive-thru satisfaction reached 97% versus just 22% when not friendly—underscoring hospitality’s bottom-line impact.
- **AI and innovation:** Voice AI cut service times by ~21 seconds and boosted satisfaction to 97%, but still lags in accuracy, especially with customized orders. Tech advances like AI, digital boards, and new prototypes (e.g., Taco Bell Defy, Chick-fil-A Elevated Drive-Thru) are shaping the future lane.

QSR's Best Brands to Work For

Jason's Deli	Donatos	la Madeleine	Velvet Taco	Potbelly	Marco's Pizza
Vicious Biscuit	Scooter's Coffee	Portillo's	Dave's Hot Chicken	Shake Shack	Penn Station
gusto!	Chick-fil-A	Starbird	Aroma Joe's	Checkers & Rally's	Beans & Brew

- **People-Centered Culture & Growth:** Leading QSRs invest in employee development, career pathways, recognition programs, and flexible benefits to foster engagement, loyalty, and long-term success.
- **Community & Well-Being Focus:** Top brands combine competitive pay, wellness programs, financial support, and community involvement to create workplaces where employees feel valued and supported.

The Value Wars

- McDonald's leads the pack (\$5 Meal Deal, Extra Value Meals, in-app promotions)
- Several brands have decided to roll back prices (McDonald's, Jack in the Box, & pizza, Happy Joe's)

Flavor Trends

- Chicken continues to be the most popular protein
 - KFC spinoff, Saucy (chicken tenders with variety of sauces)
 - Taco Bell's Crispy Chicken Platform
 - McDonald's chicken strips and snack wrap
 - Wendy's launching chicken tenders
- Dubai Chocolate??

QSR vs. Fast Casual, is There a Difference Anymore?

- Drive-thrus have become more prevalent
- Dining rooms continue to matter on both sides
- Do customers really care?
- Pricing is becoming similar
- Casual dining competition (i.e. Applebee's, Chili's)

Are Virtual Brands/Ghost Kitchens Still a Thing?

- Great American Cookies becoming a virtual brand in 400 Chuck E. Cheese outlets
- Virtual Dining Concepts (MrBeast Burger, Pardon My Cheesesteak)
- Wonder (virtual food hall)

Technology Trends

- AI at the drive-thru, in the back of house (Wingstop Smart Kitchen)
- Byte by Yum! (creating your own tech stack)
- Kiosks continue to be big
- Personalization and targeted messaging

M&A Market Heats Up

Dave's Hot Chicken

- Acquired by Roark Capital (June 2025)
- Deal value: ~\$1B

Freddy's Frozen Custard & Steakburgers

- Acquired by Rhône Capital (Sept 2025)
- Deal value: ~\$700M (incl. debt)
- 550-plus locations

Potbelly

- Acquired by RaceTrac (September 2025)
- Deal value: ~\$566M
- Strategic move: blending QSR sandwiches with convenience retail

Sizzling Platter (multi-brand franchisee)

- Acquired by Bain Capital from CapitalSpring (mid-2025)
- Deal value: >\$1B
- Operates 750+ units (Little Caesars, Wingstop, Dunkin', Jamba, etc.)

Industry Context & Economic Pressures

- Inflation in food & labor costs; profit margins under strain
- Regulatory headwinds: wages, labor laws (American Franchise Act)

The American Franchise Act: Clarifying Franchise Relationships

Purpose: Establishes a clear "joint employer" standard for franchisors and franchisees

Key Provision: Franchisors only considered employers if they exercise **direct and immediate control** over franchisee employees

Legal Impact: Amends **Fair Labor Standards Act** and **National Labor Relations Act**; Reduces liability risks for franchisors

Industry Support: Backed by **International Franchise Association** and **National Restaurant Association**

Potential Outcome: Protects **independence of ~800,000 U.S. franchise businesses**; Encourages franchisors to provide support without legal overreach

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