

CHEF'STORE INDUSTRY REPORT:

The State of Restaurants Heading Into the Second Half of 2023



The foodservice industry has been fighting back against the financial and workforce storms that came out of 2020. In recent years, restaurants have been riding economic and social waves - from rising inflation to diners' habits. The good news is that the industry is always up for a challenge and prides itself on innovation and dedication to always come out on top.

What's in store for food and drink establishments heading into the second half of 2023? This industry report highlights past industry trends and what to expect in coming months.

FOOD TRENDS FROM 2022

When preparing for the second half of the year, we can learn about what's on the horizon by examining data from 2022.

Dining Trend Predictions

2022 saw a resurgence in dining out which led to optimism throughout the industry:



While full-service restaurants experienced an impressive **\$72.8 billion in sales¹** in 2021, those numbers were predicted to jump to **\$289 billion²** by the end of 2022.



Restaurants industry sales across the board were expected to reach **\$898 billion³** in revenue.



51 percent⁴ of diners state they are not eating out as much as they would like to, which is a **6 percent increase⁵** from pre-pandemic numbers.

POLLED OWNERS STATED 34 PERCENT⁶ OF THEIR SALES STEMMED FROM DELIVERY AND PICKUP.



Delivery and Takeout

While dining out soared, delivery and curbside pick-up still saw robust revenue.

- Polled owners stated **34 percent⁶** of their sales stemmed from delivery and pickup.
- **54 percent⁷** expanded their operations to accommodate more takeout and delivery capabilities.



Survival Sentiments

Restaurant owners were more secure about the longevity of their establishments in 2022.

- **92 percent⁸** of owners worried about the survival of their restaurant in 2021.
- In 2022, that number drastically dropped to only **58 percent⁹**.



While these numbers indicate a rejuvenation in dining out and a desire for consumers to visit establishments, restaurant owners are still facing challenges heading into 2023.

CURRENT OPERATIONAL CHALLENGES RESTAURANTS FACE

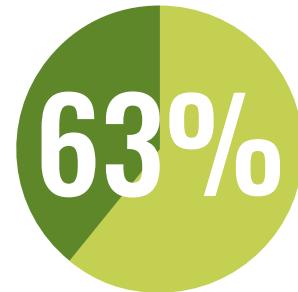
While business is bouncing back, restaurant operators are finding new predicaments that **affect their bottom lines¹⁰**:



92 percent of operators find **food costs** a challenge



89 percent of operators find **labor costs** a challenge



63 percent of operators find **utility and energy costs** a challenge

Supply chain disruptions, competing for talent, and higher costs, in general, are having a profound effect on preserving profits. To combat pricing and cost issues, owners are **making some changes¹¹** to capture revenue:

- **87 percent** have increased menu prices
- **59 percent** revamped menus to be more cost-effective
- **48 percent** reduced their hours of operation on open days
- **32 percent** limited days they were open
- **32 percent** cut staffing numbers
- **21 percent** employed more technology to streamline operations





WHAT'S IN STORE: RESTAURANTS IN THE SECOND HALF OF 2023

In 2022, close to **75 percent¹²** of restaurant owners felt that dining numbers were approaching normal levels, and it shows!

- Foodservice sales are expected to skyrocket to **\$997 billion¹³** by the end of 2023.
- Industry employment growth is projected to expand to pre-pandemic levels with **15.5 million jobs¹⁴**.
- **84 percent¹⁵** of diners state that going out for a meal is a good use of their free time.



While challenges are still ahead, there are encouraging trends for the restaurant industry in 2023. Paying attention to fluctuating costs will be key to a profitable menu pricing strategy. Applying technology can help fill service gaps and streamline operations. Keeping up with customer habits and offering dine-in and to-go options can help businesses capitalize on different eating trends.

Sources:

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