



ANNUAL RESTAURANT
INDUSTRY REPORT

2022

QSR Operational Index

A note from our CEO.

The year 2022 was pivotal for restaurants. After a disruptive 2020 and 2021, restaurant operators are leveraging technology more than ever to solve new challenges, to optimize their delivery channels, and to make data-driven decisions to drive growth and maximize profits during a time of increasing margin pressure.

Delaget is committed to supporting restaurant leaders by providing the data and resources they need to run at maximum capacity and efficiency. In 2022, we released a new solution suite, Delivery +Recovery, to address delivery losses and to improve third-party delivery data transparency and overall delivery health.

In our 2022 Annual QSR Operational Index, we share the latest findings and trends in sales, delivery channel growth, losses, staffing, customer experience, and more.

Our goal with this annual report is to provide restaurant operators with the data they need to benchmark their performance and to equip them with tools and insights they need to improve their performance and optimize their businesses.

We believe top-performing businesses are built on a solid foundation of data, transparency, culture and great people. By incorporating these operational findings from 2022, you can lay the groundwork for continued success in the coming year.

Jason Tober
CEO, Delaget

In this report

In this index, you'll find insights from 2022 QSR performance indicators.

From the expansion of the delivery channel to employee wages by state, you'll find all the data you need to benchmark your business. You'll also find hacks and hints on how to be a top-performing operator along the way.



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Sales

Digging into important revenue metrics

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Average food and labor costs to chew on

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Find out if your losses are on par with your peers

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Your trusted data partner

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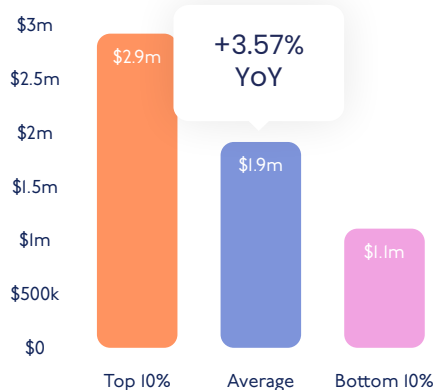
Sales



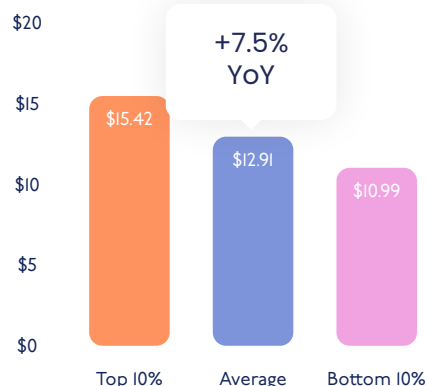
CHEWING ON PROFITS

Revenue, Guest Checks, and Transactions

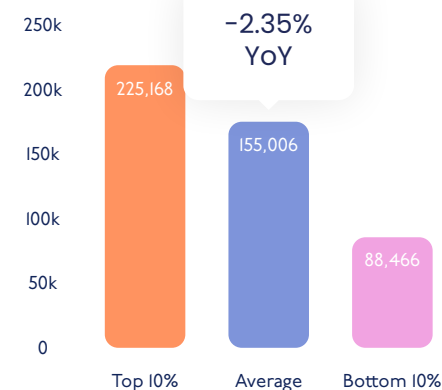
Revenue per store



Guest Check per store



Transactions per store



Avg. guest checks
are up **7.5% YoY**

While overall transactions are down YoY (-2.35%), revenue remains steady and guest check averages were up 7.5% from 2021. This is thanks to franchisors proactively increasing pricing nationwide to offset the impact of inflation and the rising cost of commodities.



DRINK UP

Sales Metrics by AUV + Beverage Sales

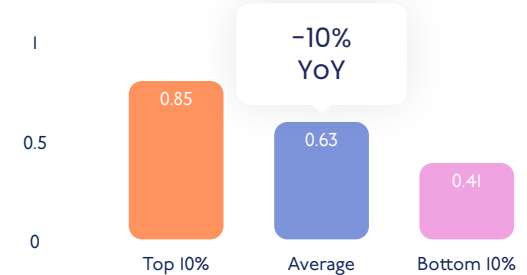
Annual revenue, transactions, and average guest checks by annual unit volume (AUV) and beverage metrics. Are you in line with your peers?

Sales Metrics by AUV

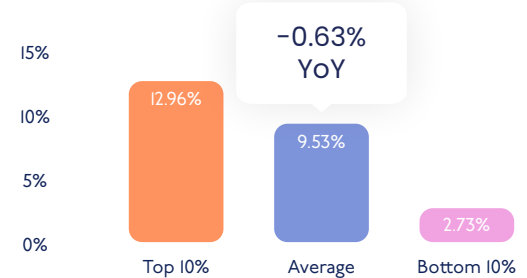
AUV	Avg. annual revenue	Avg. # of Transactions	Avg. guest check
>\$2.1m	\$2,728,000	204,209	\$13.42
\$1.75m-\$2.09m	\$1,922,000	155,512	\$12.43
\$1.5m-\$1.74m	\$1,626,000	133,412	\$12.32
\$1.2m-\$1.49m	\$1,358,000	110,800	\$12.32
<\$1.19m	\$951,000	76,621	\$12.50

Sales

Avg. # of beverages per transaction



Beverage % of sales



BEVERAGE SALES

Track it. Report on it.
Incentivize your team.

It's no secret that beverage margins are higher than most menu items. Up-selling beverages will be crucial to increase profitability in 2023.

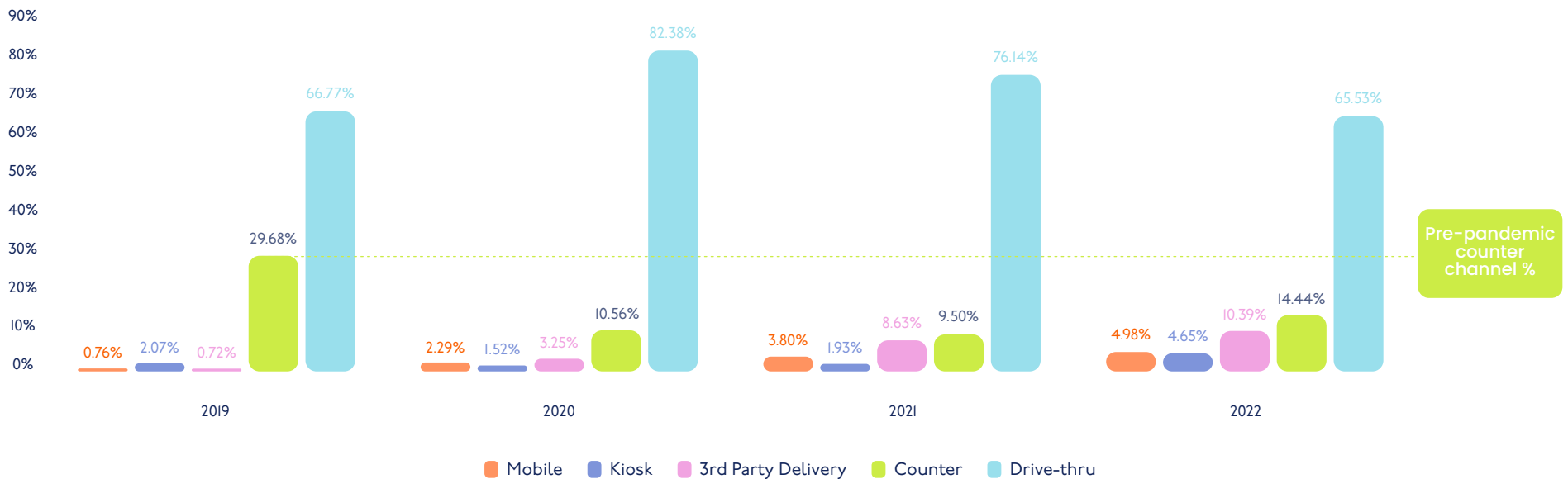


DELIVERY SALES CONTINUE THEIR CLIMB

Sales by Channel

Recipe for success? Delivery sales continue their rapid yet steady rise– Let's dig in.

Sales by channel



**Counter sales up
– but nowhere near
pre-pandemic %s.**

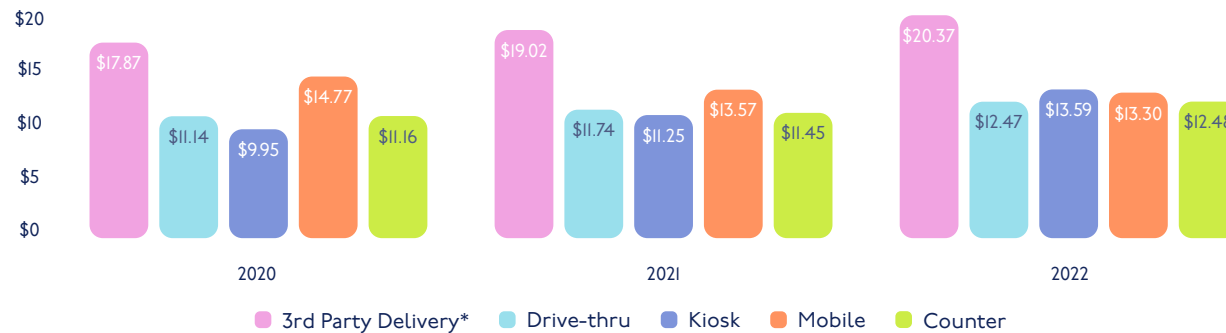
The pandemic's impact on 2020 and 2021 counter sales are undeniable with many dining rooms closed and health concerns impacting consumer behavior.

In 2022, counter sales made a come-back... or did they? Counter sales in **2022** hit **14.44%**, an increase of **51.9% over LY**, but they're still down dramatically when compared to pre-pandemic rates of **34.82% in 2018** and **29.68% in 2019**.

DELIVERING CUSTOMER SERVICE

Channel Share and Guest Checks by Channel

Guest Checks by Channel: YoY



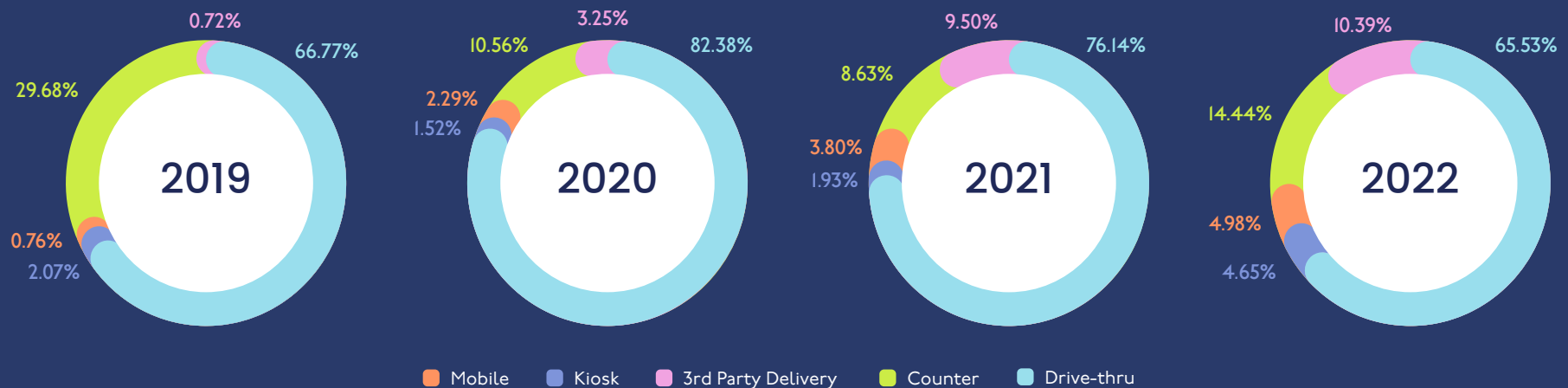
*Data does not include delivery fees

Delivering larger guest checks

Guest checks for delivery are consistently higher than other channels over the last three years; In 2022, delivery checks were 63% higher than drive-thru and counter checks on average.

This is likely thanks to up-selling happening within first and third-party delivery apps, as well as mark-ups intended to offset the costs of third-party delivery fees.

The delivery channel has grown by **1,343%** since 2019



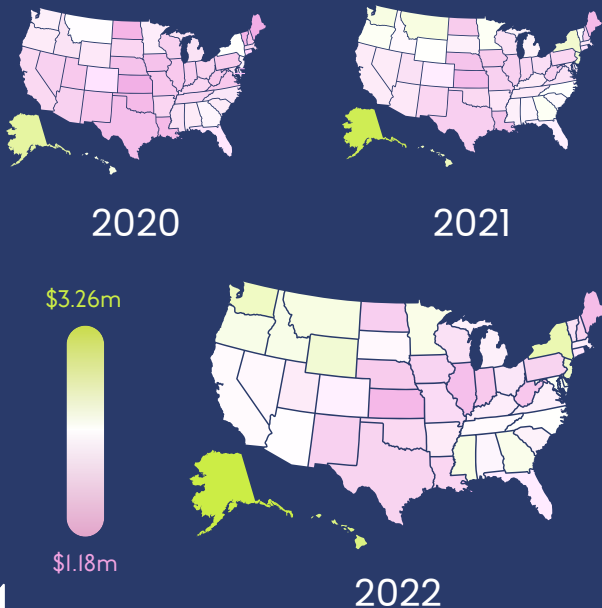
Delivery Sales by State



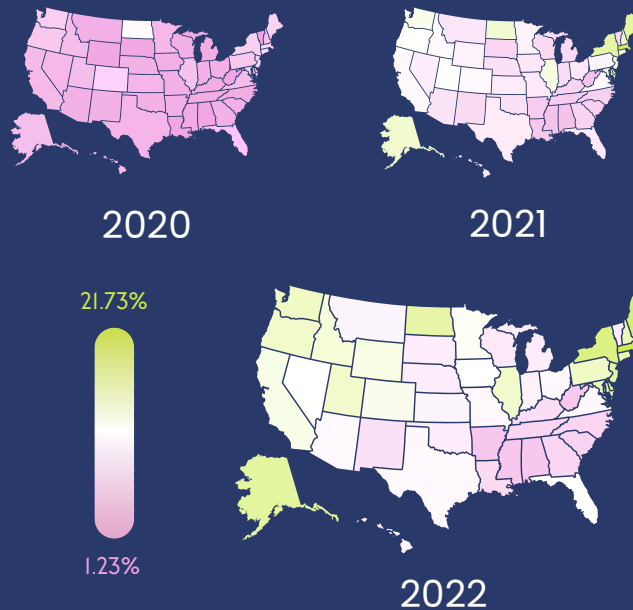
Food delivery takes flight

Third-party delivery sales have been on an upward trajectory in most states since 2020, with the East Coast leading the charge, reflecting the growing demand for convenient and reliable meal delivery options spurred by the 2020 pandemic, and the adoption of third-party delivery aggregators by operators across the nation.

Net Sales



Delivery % of Sales



Hot channel. Hot spots.

While these maps shed light on which states were early adopters, or perhaps which states have highly-populated areas utilizing the most delivery services, it's important to recognize that food delivery is on the rise everywhere across the nation.



02

Costs

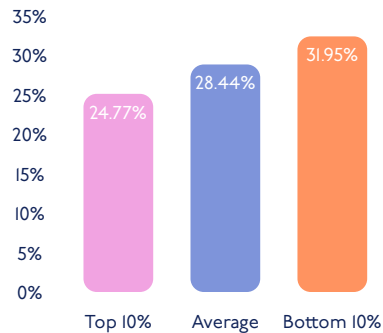


TIME IS MONEY

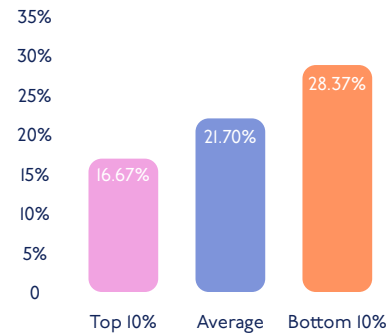
Food and Labor Costs

Food and labor costs are of the utmost importance as inflation continues to impact operators' bottom lines.

Food cost % of sales




Labor cost % of sales



LABOR COSTS RISE

Avg. labor cost as a percent of sales is up **6%** YoY
(up from 20.46% in 2021)



According to data from QSR Magazine, QSR menu prices rose by an average of **8%** throughout the course of 2022

This, in many big brands, successfully offset the increased cost of food taken on by operators

03

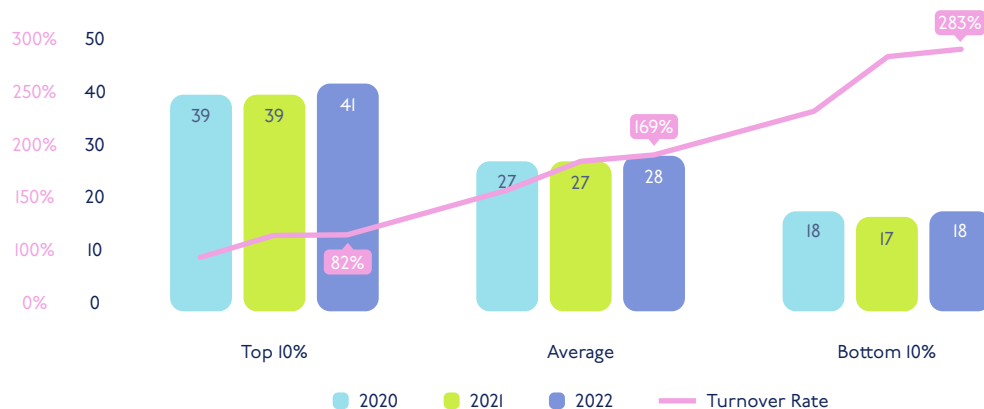
Employees



THE LABOR MARKET CONTINUES TO EVOLVE

Wages and Turnover

Turnover and # of employees



Turnover trends, explained

Stores in the top 10% with a higher number of employees see lower turnover rates on average.

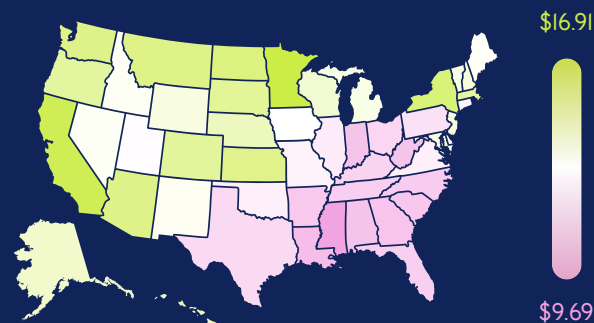
What's happening here? Great culture retains and attracts employees, resulting in less burnout and more easily-staffed shifts.

Level-up your benefits to address labor shortages:

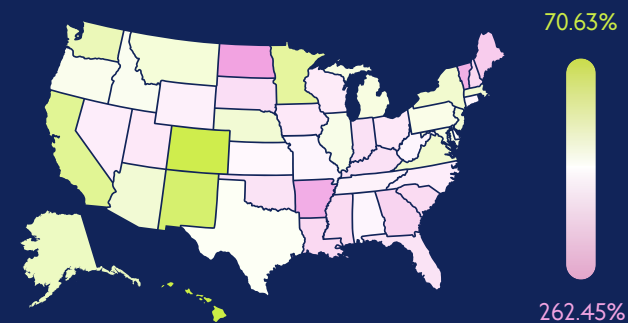
96%
of employers who offer earned wage access (EWA) say it helps them attract talent

Credit: DailyPay

2022 Average Wages

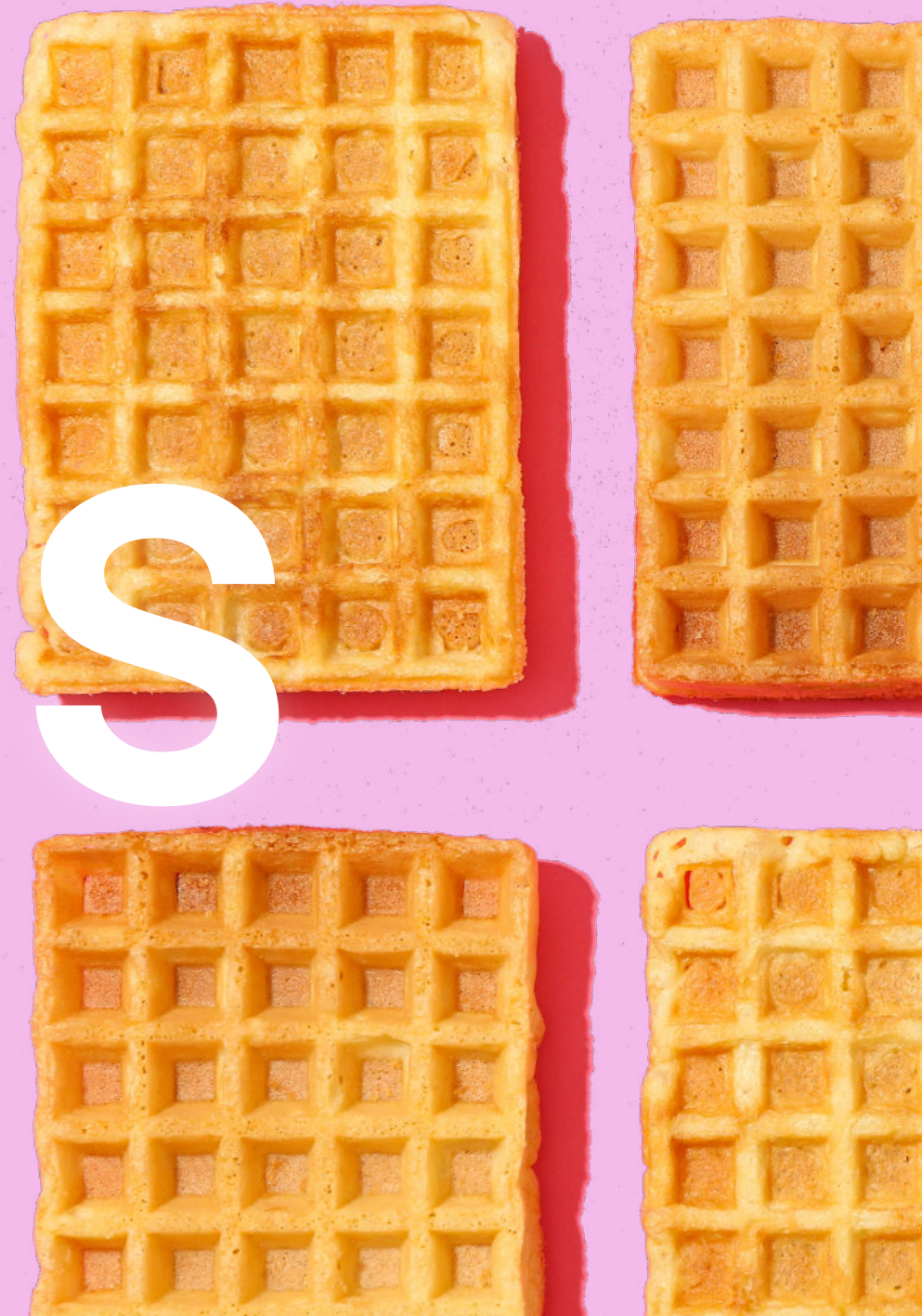


2022 Turnover Rate



04

Loss



SECRET SAUCE? STAMP OUT LOSS

Key Loss Indicator Metrics by AUV

Future successes hinge on neutralizing inflation through ramped-up loss prevention efforts.

Loss Metrics by AUV

AUV	Daily cash shortage	Refunded transactions (#)	Avg. refunded transactions (\$)	Cancelled transactions (#)	Discount % of sales	Employee meals	Annual revenue
>\$2.1m	\$10.33	165	\$2,918.96	4,653	2.04%	0.93%	\$2,728,000
\$1.75m-\$2.09m	\$10.58	172	\$2,537.47	1,610	2.11%	1.07%	\$1,922,000
\$1.5m-\$1.74m	\$11.00	158	\$2,371.16	1,227	2.31%	1.05%	\$1,626,000
\$1.2m-\$1.49m	\$10.46	139	\$2,091.69	892	2.11%	1.12%	\$1,358,000
<\$1.19m	\$5.63	116	\$1,899.71	617	3.04%	1.12%	\$951,000

The metrics that matter. Daily cash shortage, number of refunded transactions, amount refunded annually, cancelled transactions, and discount percent of sales are key metrics to understanding your total losses. Consistently monitoring these metrics allows you to track the efficacy of your loss prevention efforts.

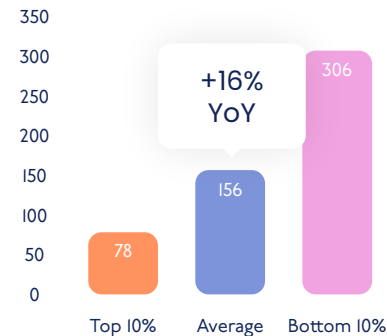


Loss prevention is key to maximizing profits

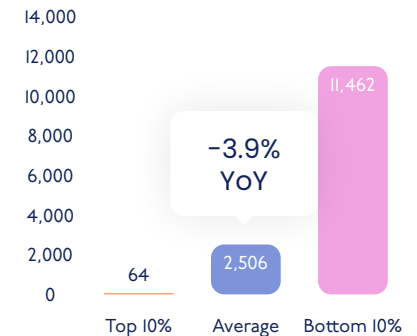
The National Restaurant Association estimates that QSRs lose 7% of sales to internal theft every year.

Consider implementing loss prevention software in 2023 to be alerted to loss patterns and theft. This is the fastest and most effective way to improve your bottom line and maximize your profits during a time of high-priced commodities and insufficient labor supply.

Refunded transactions



Cancelled transactions



2022 Loss Metrics

	Daily cash shortage	Avg. refunded transactions (#)	Avg. refunded transactions (\$)	Avg. cancelled transactions (#)	Discount % of sales
Top 10%	\$0.19	78	\$985.69	64	0.61%
Average	\$9.96	156	\$2,513.35	2,506	2.17%
Bottom 10%	\$23.42	306	\$4,022.61	11,462	3.57%
2021 average	\$10.59	134	\$1,879.14	2607	1.26%



05

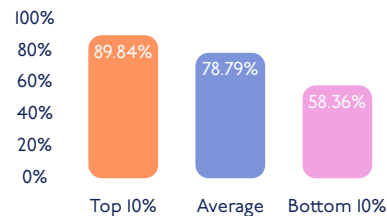
Customer Experience



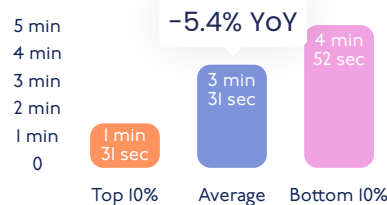
FLAVORFUL FEEDBACK

Voice of Customer + Speed of Service Metrics

Customer satisfaction %

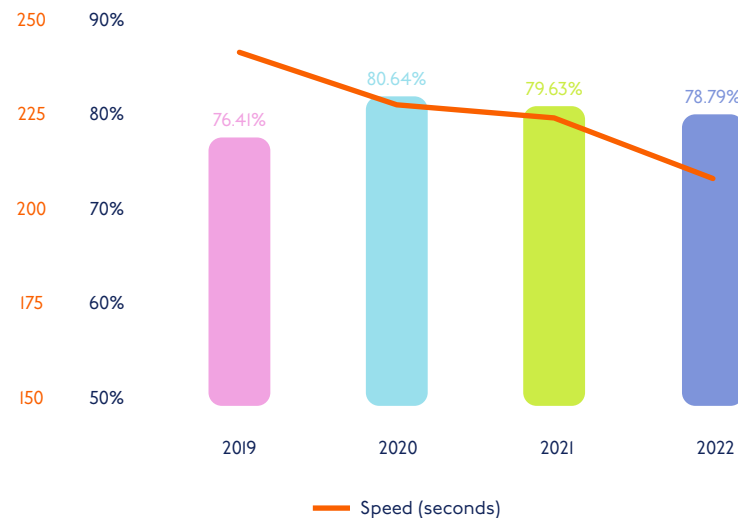


Drive-thru time (minutes)



4 YEAR TREND

VOC + SOS (system averages)



Delivery takes a dip out of VOC scores

Voice of customer (VOC) scores are slowly declining YoY while the delivery channel steadily rises. This is in-part due to the lack of control operators have over the customer experience when third-party delivery comes into play.

To address operational delivery challenges, you have to understand your delivery data.

Lasting operational advancements depend on the availability of clear data.

Give ops teams access to delivery data like refunds, cancelled orders, reconciliation between PoS and delivery portals, and reasons for refunds.

⚡ Slowing down to speed up

Our restaurant experts' top tip to improving delivery operations is to shift your mindset around delivery drivers. Instead of treating them like the *middleman*, shift to treating them like the *customer*.

Call their name, confirm what's in the final order, and educate them on any details of the order prior to handing over the goods. Their positive experience will translate to the actual customer, reducing errors and increasing speed.





DELAGET™

We're restaurant people.

Delaget is the top data provider to restaurant brands and QSR operators. We are nationally recognized for creating reliable, user-friendly solutions that allow operators access to their data, enabling clear decision making and bolstering organizational growth.

Half of
the Top 40
franchisees work
with Delaget

*(2022 Franchise
Times Top 200)*

20+

YEARS OF
EXPERIENCE

98%

CLIENT
RETENTION RATE

15,000+

RESTAURANT
LOCATIONS

Scan to explore Delaget solutions



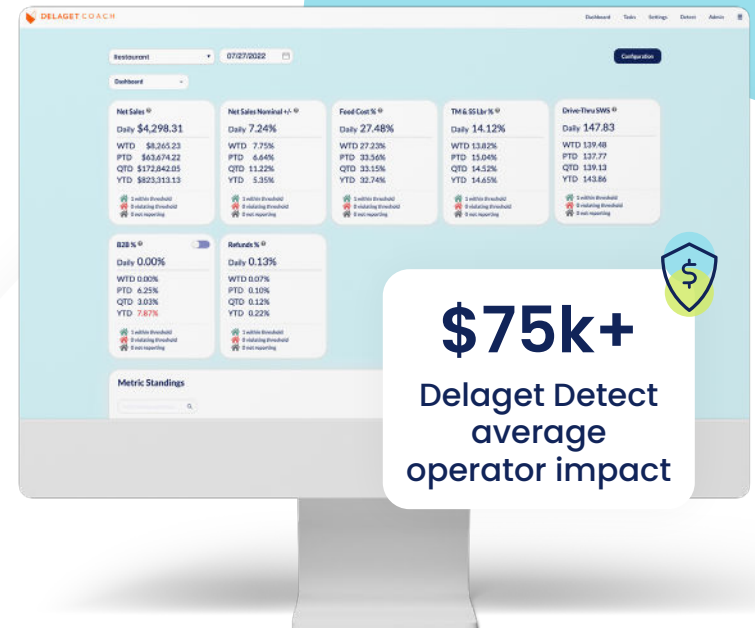
OPERATIONAL METRICS

REVENUE RECOVERY

DELIVERY RECONCILIATION

LOSS PREVENTION

DATA PLATFORM



\$75k+

Delaget Detect
average
operator impact