

2025



Los Angeles Restaurant Trends Report



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Summary of Key Findings

55%

of LA operators have taken out loans or applied for financing in the past 6 months

Operators seek loans to cover rising costs ▪ Despite an increase in guest traffic, operators in LA are turning to loans to combat high food and labor costs.

91%

of LA operators are currently short at least one position

LA operators face challenges attracting and retaining talent ▪ LA operators continue to experience a high turnover rate and a struggle to retain staff, which may suggest an impending labor shortage in the city.

52%

of LA operators say they raised menu prices in the past 6 months (down from 61% in 2023)

Operators still favor raising menu prices ▪ LA operators continue to favor raising menu prices to battle high costs, even more so than in other U.S. cities.

48%

of operators in LA report using TikTok to promote their restaurant (up from 32% in 2023)

TikTok usage on the rise among LA restaurateurs ▪ In the entertainment capital, restaurateurs are finding success leveraging TikTok as a powerful marketing tool.

35%

of LA operators say ongoing expense are the reason for not implementing automation

Ongoing costs are a top barrier to implementing automation ▪ While LA operators are interested in automating certain tasks, challenges, like ongoing costs, deter them from doing so.



1

Financial Health

To cover rising operating expenses, LA operators are increasingly accruing debt and taking out loans to stay afloat.

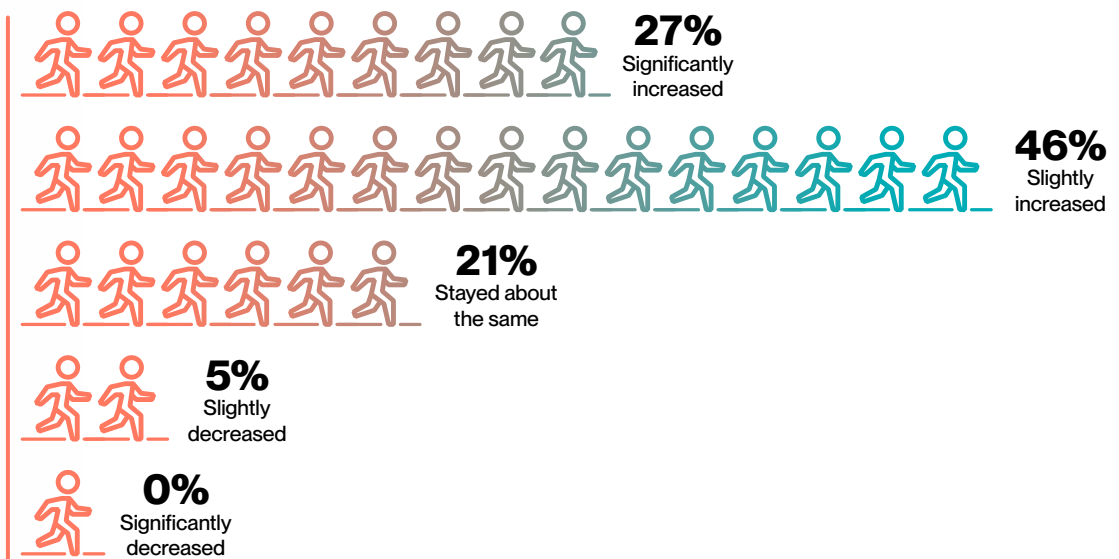
Debt Soars as Operators Seek to Cover Rising Costs

It appears that the current state of the economy hasn't stopped most diners from eating out at their favorite Los Angeles restaurants. 73% of Los Angeles operators indicated that visits to their venue have *significantly* or *slightly* increased in the past year.

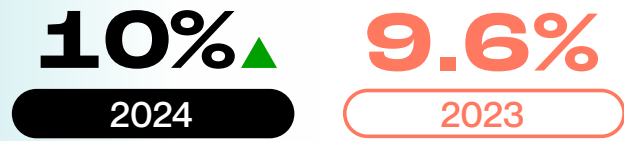
Although Los Angeles operators are experiencing a rise in guest traffic, this isn't necessarily helping them cover higher costs. In fact, Los Angeles operators reported a 34% increase in food costs compared to last year.

As a result, operators struggling to keep up with rising expenses saw their debt levels soar in comparison to other U.S. cities. More than half (55%) of operators in Los Angeles reported taking out loans or applying for financing in the past six months. Additionally, the average Los Angeles restaurant operator reported carrying \$63,409 in debt – much more than the \$51,040 U.S. average.

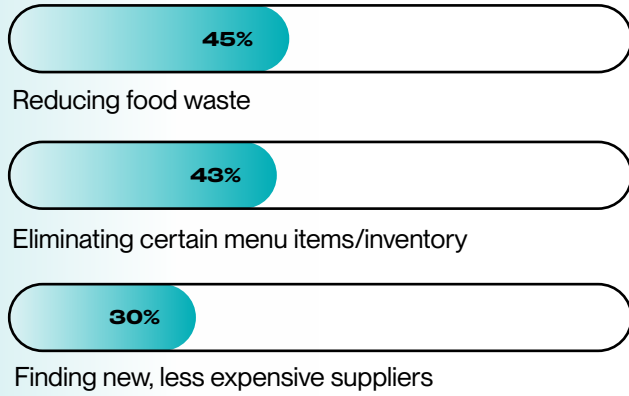
LA Restaurant Traffic This Year Compared to Last Year



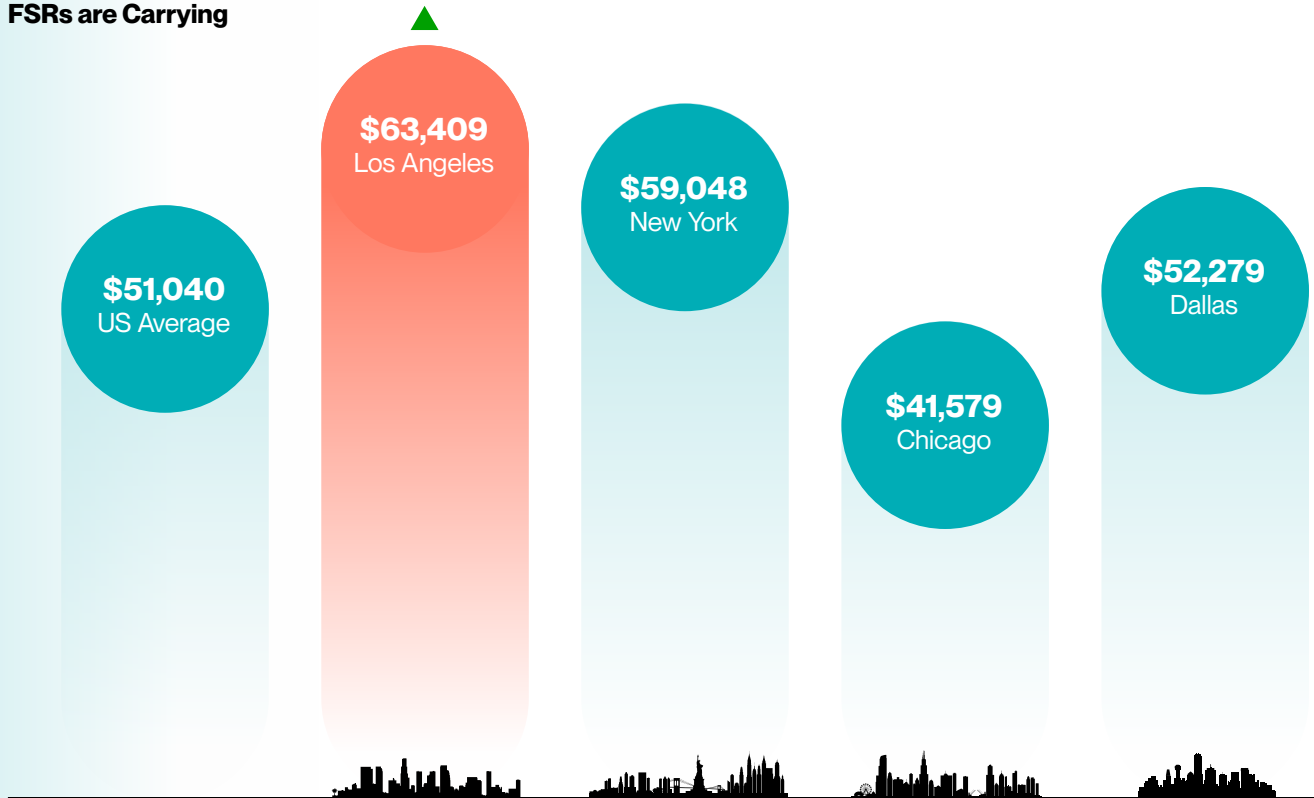
Average Profit Margin for Los Angeles Restaurants



Top Steps Taken to Cut Expenses in LA



Average Amount of Debt FSRs are Carrying



2

Staffing & Labor

Operators in LA are facing multiple labor challenges, specifically attracting and retaining talent, and keeping labor costs in check.

\$3,705

Average cost to train a new restaurant employee in LA

Operators Face the Urgent Challenge of Rising Labor Costs

Operators in Los Angeles appear to be struggling with high labor costs, more so than in any other U.S. city. In fact, 25% of Los Angeles operators say labor costs have been their greatest financial strain in the past year, which is the highest percentage compared to other U.S. cities. Additionally, 100% of Los Angeles operators surveyed report spending more on labor costs compared to this past year.

These figures are perhaps unsurprising given that the neighborhood of West Hollywood has the highest minimum wage in the country at \$19.08 per hour. Another likely contributing factor to higher labor costs is the rising cost of training a new employee. On average it costs \$3,705 to train a new employee in Los Angeles, which is higher than the U.S. average of \$3,560.

To combat these high labor costs, 34% of Los Angeles operators are resorting to reducing staff headcount, which is a strategy operators in few other cities are resorting to in such high numbers. While cost-effective in the short term, if Los Angeles operators continue reducing headcount, this may result in the city facing a labor shortage in the near future.



28%

Average staff turnover rate in LA
(vs. 24% in 2023)



Greatest Sources of Financial Strain in the Past 12 Months

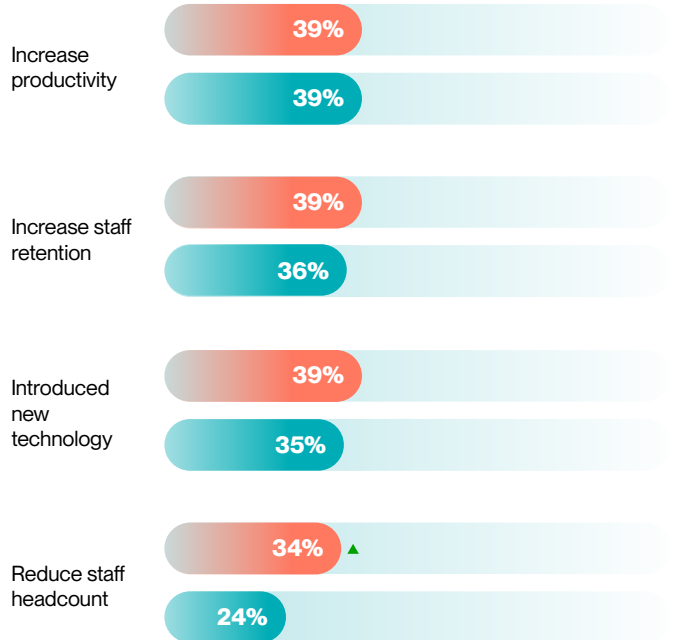
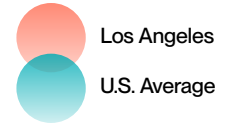


Los Angeles Restaurants Struggle to Attract & Retain Talent

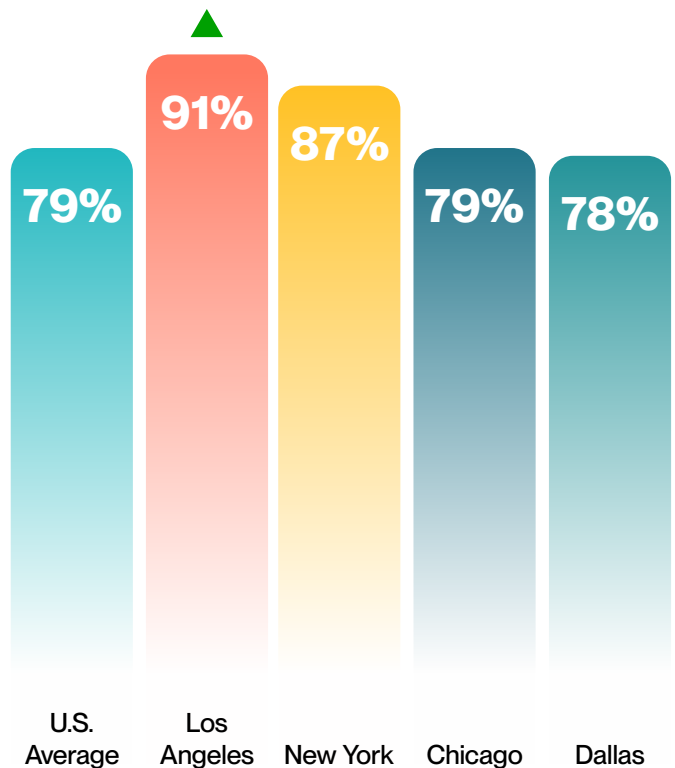
Unfortunately, by attempting to cut labor costs by reducing staff headcount, operators in Los Angeles have contributed to a higher turnover rate. In fact, Los Angeles operators reported a turnover rate of 28% on average, which is up from 24% the year prior.

Additionally, 91% of operators are currently short at least one position, compared to 73% who reported the same thing the year prior. The data reveals that if Los Angeles operators continue to cut staff rather than invest in their long-term careers, turnover will only increase and the city may begin to face a more dire staffing shortage.

Top Strategies Implemented to Reduce Labor Costs



Restaurants Short at Least One Position



3

Inventory & Menu Management

LA operators continue to favor increasing menu prices as a way of combating higher food costs.



Los Angeles Operators Still Favor Menu Price Increases to Cover Costs

Much like the rest of the country, Los Angeles operators are struggling with the increase in food costs and inflation. As a matter of fact, operators in Los Angeles report spending 34% more on food this year compared to last year.

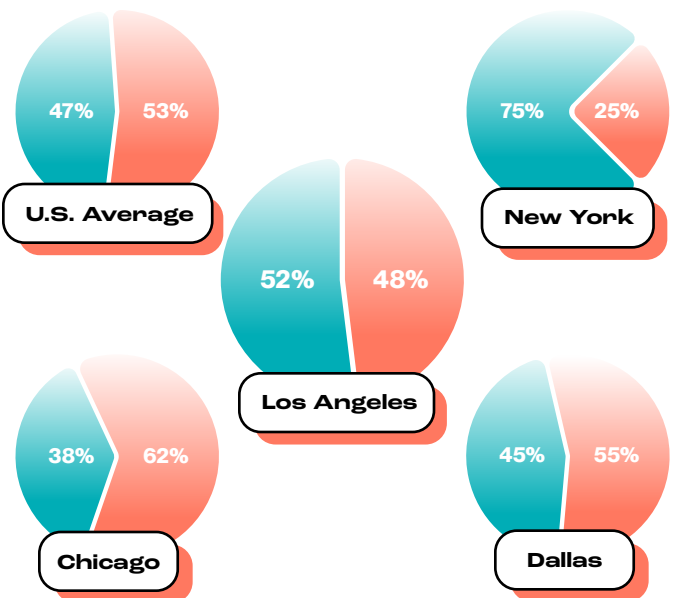
To combat high food costs, more than half (52%) of operators in Los Angeles have raised their menu prices in the past 6 months. While the percentage of Los Angeles operators who have raised menu prices in the past 6 months has decreased compared to the year before (61%), the proportion is still higher than the U.S. average of 47%, and other U.S. cities, such as Houston and Las Vegas.

Among operators who *did* increase their menu prices the past 6 months, 38% noticed fewer customers visiting during the week, which is a higher proportion than any other city nationwide. Plus, 31% noticed negative reviews, which reflects a similar trend observed in New York City.

This indicates that diners in Los Angeles may have a lower tolerance when it comes to rising menu prices and that operators may want to look for other solutions to reduce food costs, like eliminating underperforming menu items and reducing waste, to avoid hurting their bottom line in the long-run.

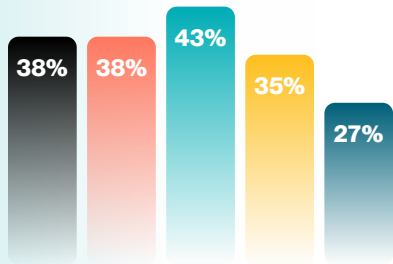
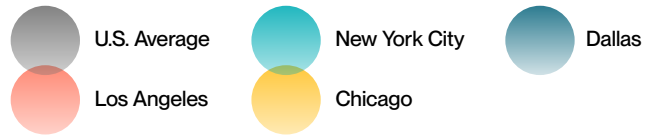
Restaurants That Increased Menu Prices in the Past 6 Months

Yes No

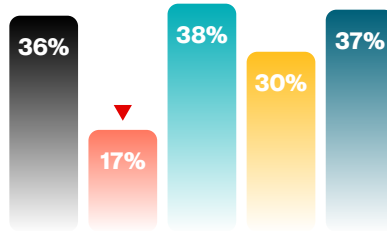




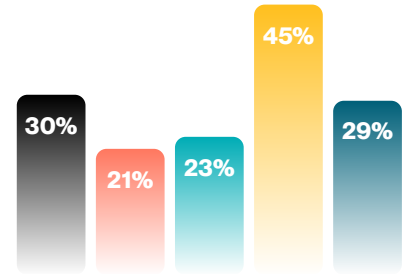
Changes in Consumer Behavior Following Menu Price Increases



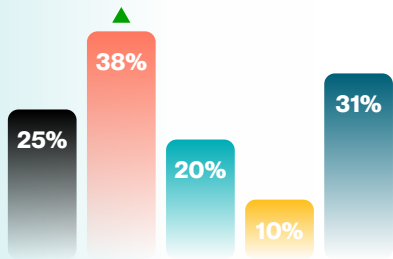
Customers are spending less overall



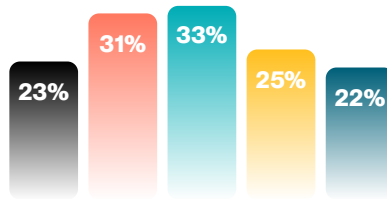
The amount that customers are tipping is less than in the past



Customers are ordering takeout/delivery less frequently



Fewer customers are visiting during the week



Negative reviews



4

Takeout and Delivery

LA operators are on the hunt for the best online ordering platforms to deliver top-notch guest experiences and reduce operational complexity.

75%

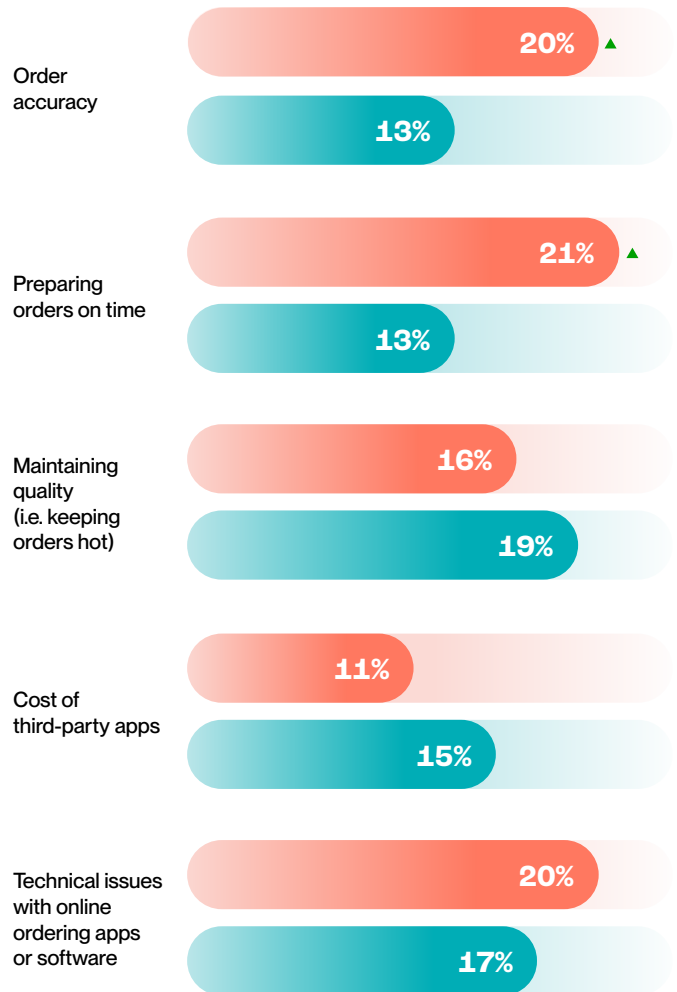
Of LA operators have seen an increase in takeout/delivery sales compared to last year

As Off-Premise Sales Tick Upwards, Operational Complexity Increases

Despite consumers struggling with the financial burden of high inflation, restaurant operators nationwide continue to observe an increase in the number of diners ordering takeout/delivery. In Los Angeles, 75% of operators say their takeout/delivery sales *significantly* or *slightly* increased in the past year. To support this increase in off-premise sales and alleviate current labor shortages, 64% of operators in Los Angeles reported implementing order-ahead or pre-schedule ordering solutions.

Biggest Online Ordering Challenges in the Past Year

Los Angeles U.S. Average

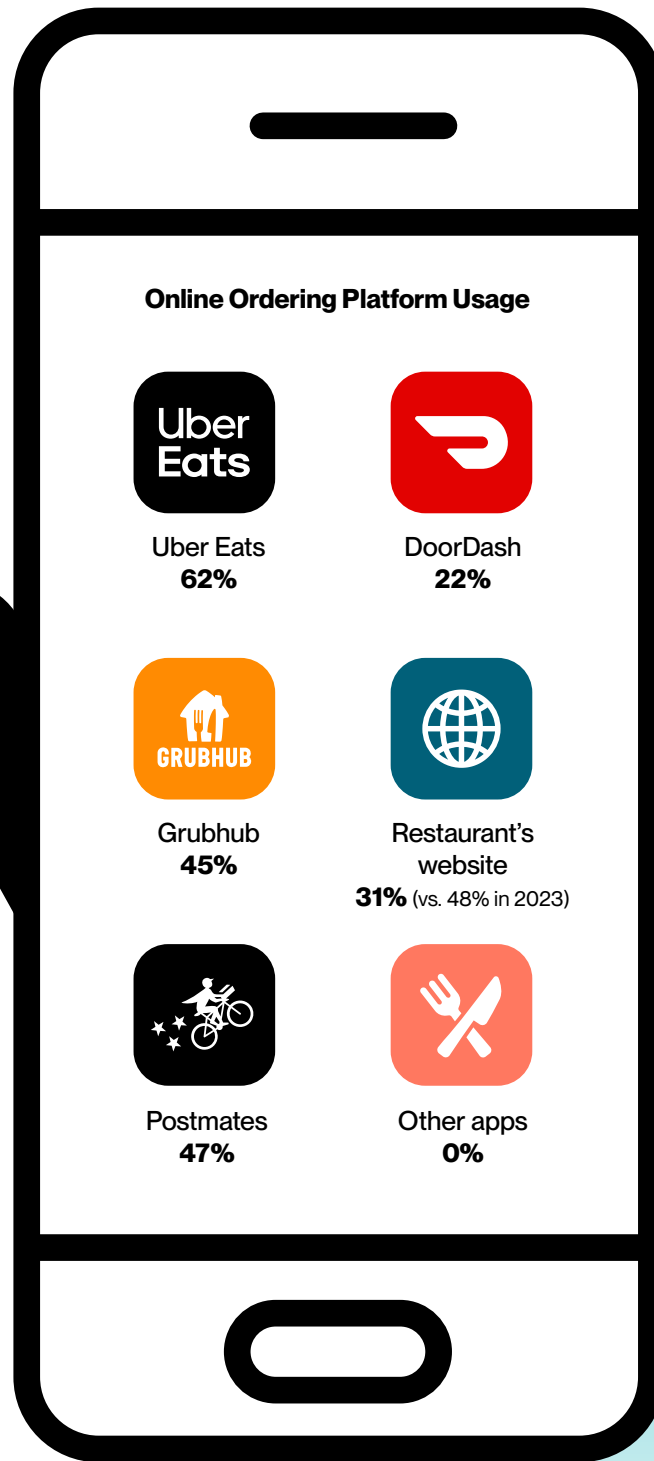


LA Operators Open to Exploring Different Online Ordering Solutions

As for which ordering solutions Los Angeles operators are using, 31% of them use direct online ordering from their website. This is a significant decrease from 48% who said the same the year prior, signaling operators are open to exploring different off-premise options.

Regardless of what type of online ordering solution Los Angeles operators are using, 20% say their biggest takeout/delivery challenge is still maintaining order accuracy and 21% say they struggle with preparing orders on time.

With demand on the rise, but still many kinks to work out, it seems that operators in Los Angeles are more open to changing up and exploring different online ordering options in order to find the best takeout and delivery experience for their guests, especially when it comes to platforms that can ensure orders are dispatched accurately and on time.



5

Marketing & Loyalty

As TikTok surges in popularity among LA operators, loyalty programs are also making a strong comeback, just differently than in years prior.

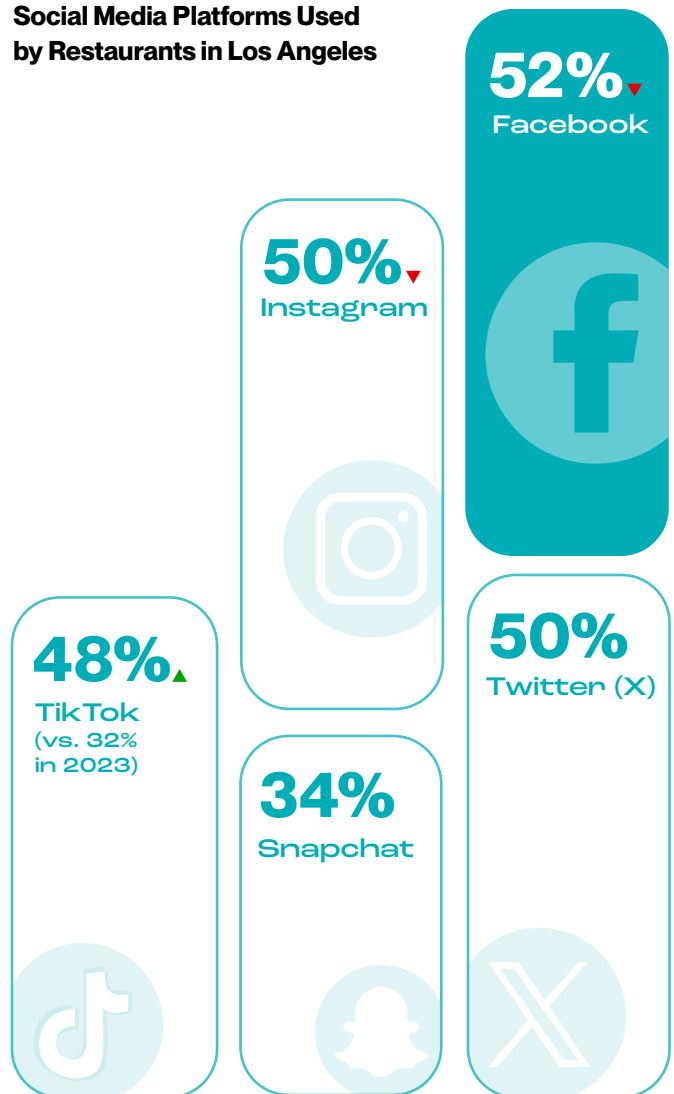


TikTok Usage is on the Rise at Los Angeles Restaurants

Similar to other U.S. cities, Facebook is still the most used social media platform by restaurateurs in Los Angeles. However, Facebook, along with Instagram and Twitter (X), have all seen a significant decrease in popularity compared to just last year.

On the other hand, almost half (48%) of Los Angeles operators now report using TikTok to promote their restaurant on social media, which is a significant increase from just 32% who said the same last year. The rise in popularity of the newer platform is a trend observed nationwide, suggesting that TikTok is quickly becoming one of the go-to marketing tools for restaurant operators.

Social Media Platforms Used by Restaurants in Los Angeles



Proportion of Customers Who Engage in Loyalty Programs Regularly

46%

U.S. Average



51%

Los Angeles



46%

Chicago



41%

New York



46%

Dallas



51%

Denver



Loyalty Programs Starting to Regain Popularity

Loyalty programs are making a comeback with Los Angeles operators this year. In fact, 66% of Los Angeles operators now offer a loyalty program, which is significantly higher than 49% who said the same last year.

And it's no surprise Los Angeles operators are pro loyalty program, especially since over half (51%) of the city's operators say their guests engage with their loyalty programs regularly, which is among the highest reported engagement across all U.S. cities surveyed.

It's clear that loyalty programs have made a comeback, but what about these loyalty programs is different this time around? This year, it appears that operators in Los Angeles are far more focused on loyalty programs built around personalization, rather than freebies and discounted items, to drive repeat business. In fact, 77% of Los Angeles operators now report sending personalized offers, like those based on customer history and preferences, which is a notable increase from 63% who said the same last year.



77%

66%

Of Los Angeles restaurants send customers personalized marketing offers (vs. 63% in 2023)

Of Los Angeles restaurants offer a loyalty program (vs. 49% in 2023)

6

Technology

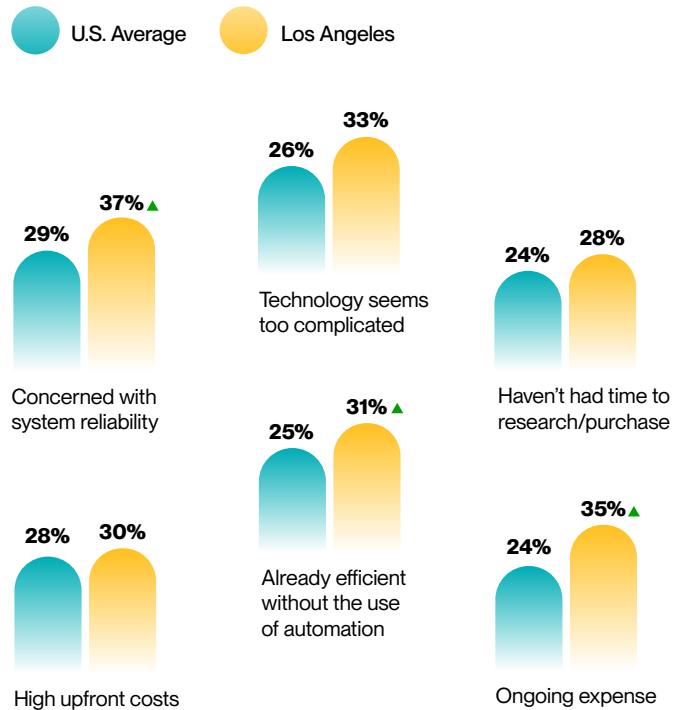
LA restaurateurs take a more cautious approach than their peers when it comes to automation and investing in new technology.



Operators are More Cautious About Automation Due to Ongoing Expense & Reliability Concerns

While Los Angeles operators seem to be in step with the rest of the country when it comes to the adoption of automation, they generally tend to be more cautious and risk-averse when it comes to new tech. For instance, when Los Angeles operators were asked about their top barriers to automation, 35% said ongoing expenses are the biggest hurdle and 37% said they're concerned about reliability issues – a higher proportion than the U.S. average for both. This signals that Los Angeles operators are interested in automation, but are seeking value-added solutions that address their concerns about reliability and affordability in the long-run.

Top Barriers to Automation



Online Ordering and Inventory Solutions on LA Operators' Wish Lists

This more cautious approach to tech is also clear when it comes to planned tech investments for the year ahead. 66% of operators in Los Angeles say they plan on spending *significantly* or *somewhat* more on technology in the next six months, which is fewer than the 71% who said the same nationwide. Among operators in Los Angeles who *do* plan to invest in new tech, 51% plan to spend it on online ordering (likely due to surging demand) and 38% plan to spend it on inventory management software (a solution that likely stems from rising inventory expenses).

Additionally, 36% of Los Angeles operators say they have reduced the number of technology providers they use in an effort to reduce their expenses – a higher percentage than in other cities. This suggests Los Angeles operators aren't prioritizing tech quite as much as some of their peers during this time of high inflation and rising operating costs.

Planned Tech Spending at LA Restaurants

66%

Plan to spend significantly more/somewhat more

30%

Plan to spend the same

4%

Plan to spend somewhat less/significantly less

Top Tech LA Operators Plan to Invest In



Online ordering software



Accounting or bookkeeping software



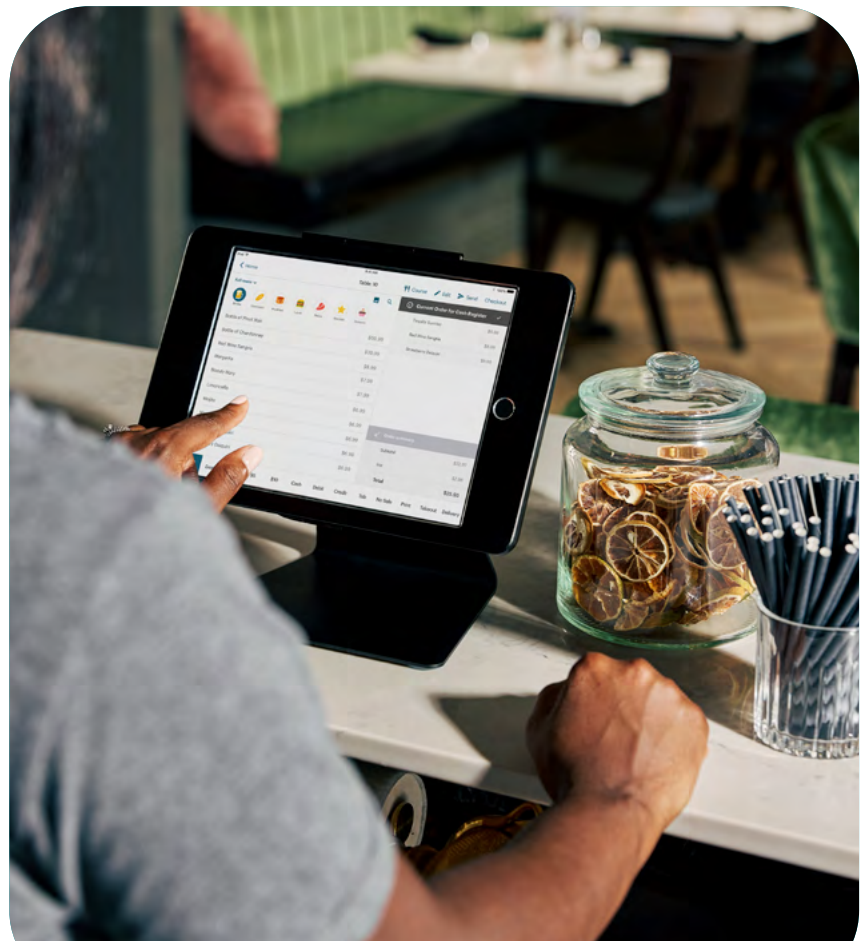
Inventory management software



Marketing software



Staff scheduling software





Tackle 2025 & Beyond with TouchBistro

TouchBistro is an all-in-one POS and restaurant management system that makes running a restaurant easier. Providing the most essential front of house, back of house, and customer engagement solutions on one easy-to-use platform, TouchBistro helps restaurateurs streamline and simplify their operations, increase sales, and deliver a great guest experience.

✔ Exclusively Designed for Restaurants

TouchBistro was born out of a mission to make running a restaurant easier and continues to provide solutions exclusively for restaurant businesses.

✔ Easy to Learn, Easy to Use

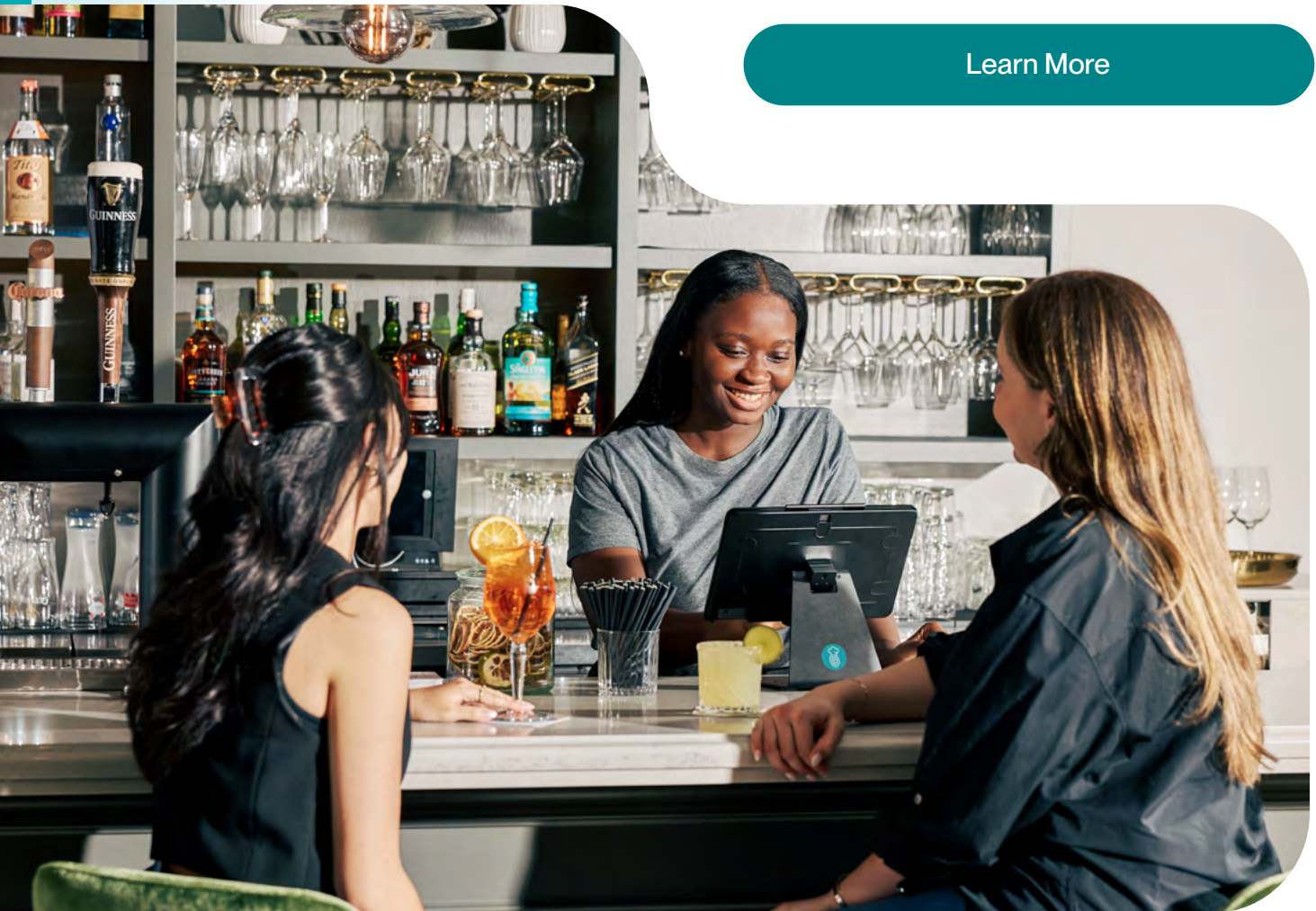
Intuitive software makes TouchBistro easy to learn and even easier to use.

✔ Round-the-Clock Support

Get up and running quickly with TouchBistro's one-box POS solution and enjoy the peace of mind of 24/7 support, available 365 days of the year.

To find out if TouchBistro is the right fit for your restaurant, get in touch today.

[Learn More](#)



Respondent Profile

Years in the Industry:

1-5 years: **7%**
6-10 years: **66%**
11-15 years: **20%**
Over 15 years: **7%**

Current Role:

President/CEO: **25%**
Owner: **52%**
General Manager: **18%**
Area Manager: **5%**

Type of Restaurant:

Brasserie/bistro/cafe: **36%**
Bar/grill: **18%**
Fine dining: **25%**
Family style: **21%**

Independent vs. Chain

Part of a restaurant group: **0%**
Independent: **100%**

Number of Locations:

Just one location: **55%**
2-4 locations: **34%**
5-10 locations: **11%**
More than 10 locations: **0%**

Size of Restaurant:

Less than 20 seats: **0%**
21-40 seats: **41%**
41-80- seats: **46%**
81-120 seats: **13%**
More than 120 seats: **0%**

Dining Options Offered:

Indoor dining/dining room: **98%**
Patio/outdoor dining: **96%**
Delivery: **80%**
Takeout/curbside pickup: **75%**

Annual Revenue:

<\$1M: **14%**
\$1M-2M: **73%**
\$2M+: **13%**

Methodology

We partnered with research firm Maru/Matchbox again this year to survey more than 600 full service restaurant owners, presidents, and area/general managers across all 50 states, with an added focus on eight key cities: New York City, Los Angeles, Chicago, Dallas, Houston, Austin, Denver, and Las Vegas. Our research was conducted from June 27 to July 15, 2024.



Maru/Matchbox is our group of highly skilled research practitioners with deep advisory expertise. As part of the Maru Group, we are a different breed of global insight partner, built on proprietary software that enables our experts to connect with the people that matter most to our clients.



