

2024 DINING REPORT

# What Consumers Want From Restaurants in 2024 and Beyond



 Square



## Introduction

Restaurateurs know that delivering a high-quality customer experience is essential to staying competitive. But what customers want from restaurants is evolving.

As restaurants explore how innovations such as automation and robotics fit into the ways they serve customers, consumers are expressing interest in loyalty programs and new experiences from their local restaurants — some tech-enabled, some not.

Getting ahead of rising trends can only benefit restaurateurs as they plan for a customer-focused future. Square partnered with Industry Dive to find out what consumers across the globe are interested in when it comes to engaging with restaurants. We uncovered five themes restaurateurs should pay attention to and consider incorporating into their businesses.

- ① **Loyalty programs** are an untapped opportunity.
- ② **New experiences in restaurants** can help engage customers.
- ③ **Cutting-edge technology** offers a new dining reality.
- ④ **Convenience and human interaction** are essential to in-person dining.
- ⑤ **Responsible business practices** influence dining choices.

# 1. Loyalty programs

76% of diners expressed an interest in signing up for loyalty programs at restaurants in exchange for exclusive deals and discounts.

Rewarding diners is a smart way to keep them coming back, and customers are open to engaging with restaurants as loyalty program members.

Customers are not only expressing interest in joining loyalty programs, but they are also generally fine with supplying their information at sign-up: 70% of respondents said that they're okay with sharing data when joining a restaurant loyalty program, with the expectation it will help the restaurant serve them better. Serving customers better, in their minds, means offering high-value incentives, including "freebies."

When asked to select the top three benefits they look for in a restaurant loyalty program, survey respondents felt most strongly about:

73%

the ability to earn free food or products

64%

daily discounts

56%

Rewards around special events, such as birthdays and holidays

Now is a smart time to put a reward- and discount-driven loyalty program into place, as the market is undersaturated: 68% of diners reported that they are enrolled in two or fewer restaurant loyalty programs, including 31% who said that they aren't members of any.

Customized loyalty programs are proven to increase repeat visits. Sellers who use Square Loyalty see a 40% increase in customer visit frequency.

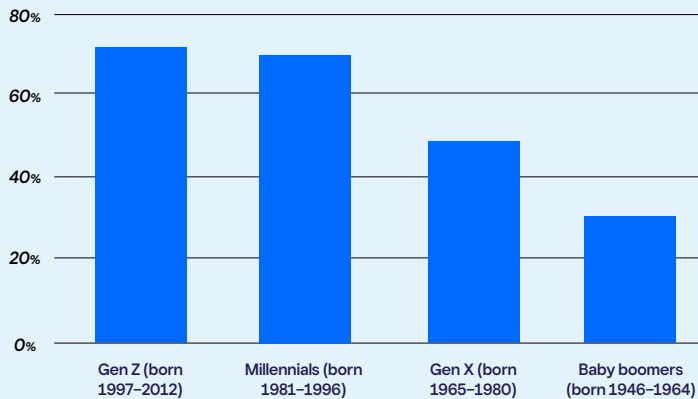


## 2. New experiences

55% of diners said that they are interested in being offered new and different experiences — such as cooking classes, live music, tastings, or game nights — at their local restaurants.

Encouraging loyalty isn't just about points and rewards. It's also about keeping customers engaged, which is why restaurateurs may want to think beyond their core businesses as they build strategies for the future.

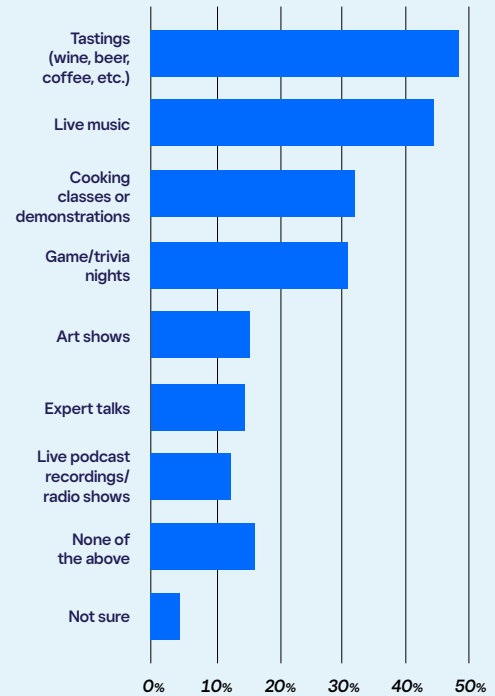
A majority of all diners (55%) are interested in experiential offerings, but younger consumers are even more apt to find them appealing:



The right experiences to offer depend on the restaurant's clientele, environment, or location, but tastings (wine, beer, coffee, etc.) are the most popular option (48%) across all age groups surveyed, as well as the most popular among each age group. Live music (44%) is the second most popular experience, followed by cooking classes or demonstrations (32%) and game/trivia nights (31%). Many other experiences have also captured the interest of at least a portion of diners, proving that there are many potential avenues for restaurants to pursue to diversify their offerings.



Which of the following would you enjoy experiencing at your local restaurant?



## EXCLUSIVE OPPORTUNITIES:

# Tying loyalty and experiences together

Even though only 16% of respondents selected "members-only events" when we asked about the top three benefits they look for in loyalty programs, it's clear that exclusive experiences appeal more to millennial (born 1981–1996) and Gen Z (born 1997–2012) demographics:

- 18% of millennial and Gen Z respondents said that members-only menu items would be one of the top three reasons they'd join a restaurant loyalty program, compared to just 8% of baby boomer and Gen X respondents.
- 40% of millennial and Gen Z respondents said that they'd consider paying for private dining or premium seating at a restaurant, compared to 24% of baby boomer and Gen X respondents.



Only

**15%**

of surveyed diners reported having ever participated in AR or VR dining in any form



### 3. Cutting-edge technology

**87% of diners who have participated in an augmented reality (AR) or a virtual reality (VR) dining experience said that they would do it again.**

With the rise of QR codes, consumers' devices often play a role in the restaurant experience, creating an opportunity for restaurateurs to augment that experience with digital content. While only 15% of surveyed diners reported having ever participated in AR or VR dining in any form, those who have largely find the experience worthy of repeat visits. Plus, only 30% of diners said that they would not want to participate in any type of augmented reality experience associated with dining.

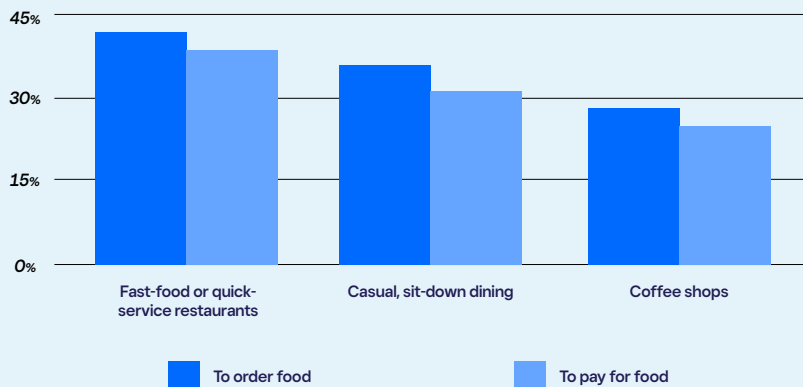
When it comes to the actual experiences consumers want to have in AR or VR, 38% said that they would like to experience augmented reality while viewing the menu, 28% while previewing food, and 23% while previewing the dining room or restaurant ambiance. And when it comes to other forms of technology during the dining experience, consumers are more comfortable than restaurateurs may realize.

It's not shocking that diners would either prefer or be open to making reservations in an app (75%), to ordering at a touchscreen kiosk (70%), or to doing self-checkout at sit-down restaurants (62%). But a significant percentage are also at least open to next-generation tech innovations, such as using personalized menus at kiosks based on facial recognition (39%) or voice ordering through a conversational AI chatbot at a drive-thru (38%).

## 4. Convenience and human interaction

79% of diners agree that receiving a physical menu is an important part of the in-person dining experience.

The settings in which diners prefer to use QR codes



While an openness to new technologies certainly exists among consumers, tech is not always their preference. Restaurateurs need to find a balance between optimizing their businesses for convenience while still meeting traditional expectations.

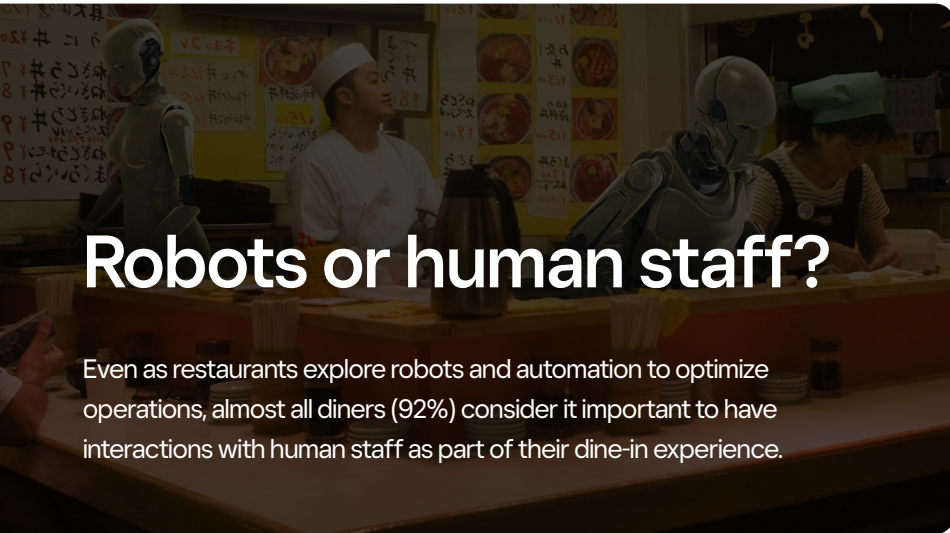
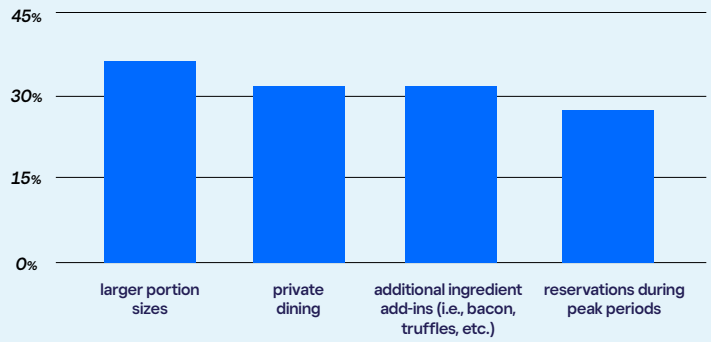
QR codes are a case example. Even though consumers consider physical menus important to the in-person dining experience, 44% said that they like to use QR codes to access a restaurant menu, and 39% agree that it is more convenient to scan a QR code to see a digital menu than to ask the restaurant staff for a physical menu.

Many diners prefer or are open to receiving tipping suggestions from a kiosk or a POS device during the payment process, but the level of interest varies depending on their environment. Casual, sit-down dining (64%), fine dining (62%), or outdoor dining (58%) are more popular environments for tipping suggestions, whereas fast-food or quick-serve restaurants (45%) and picking up takeout (40%) are less popular environments.





Beyond tipping in in-person dining environments, some diners would consider paying a premium for various benefits at a restaurant, such as



## Robots or human staff?

Even as restaurants explore robots and automation to optimize operations, almost all diners (92%) consider it important to have interactions with human staff as part of their dine-in experience.



## DINERS ARE 50-50 ON DELIVERY

**50%**

of diners said that they have ordered a restaurant meal from a food delivery service (e.g., DoorDash, Uber Eats, or restaurant delivery) in the past month. An equal number said that they haven't.



## 5. Responsible business practices

At least 60% of diners said their dining choices are affected either a lot or somewhat by a restaurant's attitudes toward various issues, including local food sourcing and supporting local farmers (67%); worker benefits and rights (64%); ethically responsible food sourcing (62%); and diversity, equity, and inclusion practices (60%).

A restaurant's reputation influences consumers, making it important for restaurateurs to develop, project, and follow through on good corporate practices. While sustainability practices are important to many consumers, they can have an even bigger positive impact on a restaurant's bottom line.

However, a restaurant's corporate practices are not the main reason consumers patronize their favorite dining destinations. Diners' top motivators for dining at a local restaurant remain aligned with traditional expectations: quality of food (75%), cost of food (48%), quality of service (39%), and experience or ambiance (39%). But with a restaurant's corporate practices already influencing diners' decisions, there's potential for that influence to grow — and for restaurants to embrace it in the ways they market their businesses to consumers.



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



Restaurants can spotlight their sustainability efforts and other responsible business practices in their marketing to drive up their appeal to consumers.

# What's next for restaurants?

Restaurateurs who want to see their businesses grow and thrive can benefit from testing new strategies and staying attuned to what consumers want. Taking action on emerging trends and preferences helps restaurants stay ahead of competitors and provides strategies to future-proof a business for whatever comes next.

In 2024 restaurants should consider:

-  Launching, redesigning, or expanding a rewards- and discount-driven loyalty program.
-  Offering customers opportunities for engaging, nontraditional experiences that help diversify restaurant offerings and revenue streams.
-  Incorporating apps, touchscreen kiosks, AR or VR, and other back-of-house automation technology into the business.
-  Balancing that convenience-driven technology with a human experience.
-  Embracing responsible business practices and building out a strong corporate reputation.

Regardless of which strategies restaurants choose to test and implement, equipping a restaurant for a customer-focused future requires the right toolset — one capable of growing and evolving alongside the business. As restaurants test and embrace new technologies, tools, and tactics to help them attract and retain customers, [Square](#) offers the scalable solutions they need.

To learn more, [contact Square](#).

## Methodology

Square partnered with Industry Dive's studioID to survey 1,200 consumers in the U.S., Canada, and the U.K. via an online survey conducted between July 20 and August 2, 2023.





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