INDUSTRY REPORT

Restaurantology® 2024 Market Pulse

Year-over-year market intelligence to help deepen your knowledge of the industry and strengthen your go-to-market

2024 EDITION

Restaurantology is a go-to-market (GTM) activation consultancy helping B2B restaurant tech companies grow faster and smarter through real-time market intelligence and operational optimization.

Learn more at restaurantology.io.

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Preface

The restaurant industry is constantly evolving, and for companies selling into it, staying ahead requires more than just intuition.

Since 2017, Restaurantology has provided real-time market intelligence to help restaurant tech companies refine their go-to-market (GTM) strategies. Our technology captures actionable insights directly from restaurant websites, tracking shifts in brand growth, technology adoption, and market positioning at scale.

Each year, our **Market Pulse** report distills these insights into a clear picture of how the industry is moving, and what it means for sales teams looking to capitalize on new opportunities.

This year's report is divided into two sections:

- **Market Structure & Dynamics:** Breaking down the restaurant industry's real addressable, obtainable market and discussing compartmentalized, segment-specific GTM strategies.
- **Software Detection & Trends:** Analyzing shifts in restaurant tech adoption and the modularization of product offerings across vendors.

This report isn't just about data. It's about equipping restaurant tech leaders with the intelligence they need to navigate a complex, competitive landscape. Every data point was captured with intent, every trend analyzed for significance, and every takeaway designed to help you execute with precision.

Here's to another year of informed strategy, targeted execution, and smarter selling in the restaurant technology space.

PART 1

Market Structure & Dynamics

Segmenting 2024 TAM to drive smarter GTM strategy

The restaurant industry is full of paradoxes. At a glance, it appears massive, with millions of locations and billions in spending. But when viewed through a go-to-market lens, it often feels surprisingly small, with real opportunities shrinking as competition, market saturation, and the challenges of reachability and purchasing behavior come into play[1].

A second paradox is the chaos of micro-level shifts against a backdrop of macro-level stability. Industry fundamentals—unit count, total spend, and major players—remain largely unchanged. Yet at the individual brand level, growth, contraction, and technology adoption are in constant motion. Predicting these shifts isn't straightforward. What appears stable from a distance is anything but predictable up close. Staying ahead of these shifts requires real-time market intelligence.

Then there's the pricing paradox. Restaurants are cheap when it comes to investing in technology, and selling into this industry is wildly expensive[2]. Margins are thin, deal cycles are long, and many brands simply don't have the budget for enterprise SaaS. Meanwhile, sales teams are costly, and CAC is difficult to control. Without a precise segmentation strategy, restaurant tech companies risk chasing deals that never close, burning through pipeline, and driving acquisition costs beyond sustainable levels.

This is where **industry-specific market segmentation** becomes critical. The restaurant industry cannot be treated as a monolith. TAM, in its broadest form, remains stable, but

[1] *"The US restaurant industry is much bigger (and smaller) than you think,"* Restaurantology.
[2] *"The restaurant industry's SaaS pricing paradox,"* Restaurantology.

real opportunities emerge when the market is broken into meaningful, data-driven segments.

Restaurantology's **2024 Market Pulse** frames the industry through this lens, analyzing size-based segmentation to connect TAM to real, serviceable, and obtainable market opportunities. By breaking the industry into its most relevant, actionable compartments, we help B2B restaurant tech companies identify shifts, isolate trends, and execute smarter go-to-market strategies.

Independents: the most intimidating segment in restaurant tech

Regardless of where a company draws the line—whether defining IND as strictly single-unit operators, including 1-2 unit brands, or cutting it at five units as we recommend—most restaurant tech companies intentionally ignore this segment. IND brands are volatile, notoriously difficult to reach and sell into[3], and expensive to scale. A single-unit deal carries nearly the same CAC as a multi-unit deal, making broad outbound coverage financially impractical.

At its simplest, there are two sales motions for this segment:

1. **Passive:** Respond to inbound, qualify aggressively, and attempt a one-call close.
2. **Outbound:** Build a team, encourage autonomy, and set them loose.

For most flat-fee SaaS companies, only the first option is realistic. IND-focused outbound teams often learn the hard way that owner-operators are hard to find and even harder to reach. There's no scalable way to cold-pitch thousands of small businesses. The only viable outbound approach requires feet-on-the-street reps in key markets to force the conversation, ask for consideration, and ultimately sell face-to-face.

Because of this, few restaurant tech companies invest in IND proactively. But for those who refuse to treat this segment as an undifferentiated mass, it's a highly targetable opportunity, especially as market intelligence continues to make IND more structured and accessible.

How IND is evolving

At the end of 2024, **9,944 multi-unit IND brands operating 25,000+ locations** were detected and tracked month-over-month by Restaurantology. Depending on how you

[3] *"Why many companies have a difficult time selling to 'mom-and-pops,'"* Restaurantology.

define a true, single-unit brick-and-mortar restaurant, there could be hundreds of thousands more.

By tracking unit counts on IND websites, Restaurantology detected:

- **1,674 new multi-unit IND brands were surfaced for the first time.** This isn't just growth, it's Restaurantology tracking deeper into the long tail[4].
- **619 multi-unit IND brands dropped off the radar.** Some closed, others shrank or became unverifiable as their digital footprint disappeared.
- **572 multi-unit IND brands opened a store in 2024.** Detecting store openings is a powerful way to prioritize brands more likely to invest in new technology.

Strategic insights in the IND segment include:

- **Service type within IND brands is nearly even**. By EOY, limited-service restaurants made up 51% of IND multi-unit brands, while full-service accounted for 48%. The remaining 1% includes buffet/cafeteria and eatertainment concepts.[5]
- **IND concentration is far from equal**. California has nearly 2x the IND brands of Texas, the next-largest state. For vendors targeting IND, geographic prioritization is key.

Technology adoption in IND is rising, making targeted outreach easier for those who know how to segment effectively:

- Detectable POS adoption increased by 2.8%.
- Online gift card adoption grew by 8.1%.
- The number of IND brands with 5+ tech detections increased by 4.5%.[6]

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[4] *"The restaurant industry 'long tail,'"* Restaurantology.
[5] *"How to navigate the niche segment of eatertainment,"* Restaurantology.
[6] *"Using tech stack as a proxy for measuring CRM maturity,"* Restaurantology.

For vendors willing to lean in, IND is becoming easier to navigate. The brands worth selling to are increasingly discoverable, increasingly tech-forward, and increasingly segmentable by their digital footprint.

GTM strategy: IND requires at-scale segmentation

For most, success in IND doesn't come from treating every account equally, but from isolating and targeting the right ones with precision and intention. This all starts with good data and the right filters.

- **Top metros matter more.** The ability to identify and target key urban areas, such as greater Austin or Atlanta, makes it 10x easier to operationalize IND coverage.
- **Tech stack knowledge is a priority.** Some vendors only engage 2-5 unit brands if they're using a specific POS, reducing integration friction and increasing conversion rates.

Because IND is so large, some sales teams default to Google-researching their own territories. This doesn't scale. The best teams treat IND as a named-account motion, where reps execute against pre-built, high-value (Ops-approved) chase lists. Instead of letting BDRs and AEs choose their own prospects, opt for IND segmentation prioritizing a handful of accounts within clear swim lanes, ensuring reps focus on accounts matched to ICP rather than search engine discoverability.

TL;DR → Treat IND like named accounts

Most restaurant tech companies either ignore IND or chase it haphazardly. Both approaches are wrong.

The brands that are actually worth targeting aren't hidden, they're just buried under too much noise.Invest in market intelligence that can filter out the volatility and surface the IND accounts that actually matter to your business. Instead of seeing IND as an unstructured and high-risk segment, leverage data to create an efficient, targeted GTM motion.

SMB: the most undervalued segment in restaurant tech

If you're ignoring SMB, you're leaving money on the table.

For emerging brands, SMB is a stepping stone. But for sales orgs, it's a pipeline and bookings stabilizer. Yet too many companies undervalue its potential or hesitate to invest in it, favoring the high-risk, high-reward gamble of MM and ENT deals.

At **3,320 brands and over 32,000 units,** SMB is a massive segment. Yet few restaurant tech companies put enough players on the field to capture it.

SMB is where brand loyalty for tomorrow's high-growth brands is built. If you wait until a brand hits 20+ units, chances are, a competitor is already entrenched. The best GTM teams are proactive, not reactive. They anticipate growth, engage early, and lock in brands before they become the next big MM name.

How SMB is evolving

In 2024, SMB remained one of the most fluid restaurant segments. By tracking unit counts on SMB websites, Restaurantology detected:

- **287 newly-detected brands in 2024 ended the year as SMBs.** Some were previously undiscovered, while others were newly tracked and quickly grew into this segment.
- **199 brands moved up from IND to SMB.** Growth from IND into SMB is a key signal of restaurant expansion.
- **41 brands moved down from MM to SMB.** Not all growth is linear, nor is it always positive. Brands contract due to competitive pressures, operational challenges, or market shifts.

Strategic insights in the SMB segment include:

- **Service type in SMB favors quick-service**. Among concepts with 6-20 locations, 63% were limited-service, while 35% were full-service.
- **Emerging brands are disproportionately QSR.** Of the 15% of SMB brands deemed "emerging" or "high growth" in 2024, 70% were LSRs.[7]
- **SMB Toast adoption is increasing**. 22.5% of existing SMB brands now have Toast POS integrated into their website, up from 19.6% in December 2023.

Tech adoption in SMB is also accelerating:

- Website POS detections increased by 1.2%.
- Loyalty adoption jumped by 15.4%.
- The number of SMB brands with 5+ tech detections remained stable.

The standout stat? **Loyalty growth.** More SMB brands are investing in guest engagement than ever before. For sales teams, this is a massive buying signal. Brands upgrading their loyalty tech are actively investing in retention, which often signals broader digital transformation.

GTM strategy: SMB needs more coverage

Despite being a massive and high-value segment, too few restaurant tech companies commit the necessary resources to cover it properly. By and large, SMB teams are understaffed, under-prioritized, and treated as an "internal rep-development stepping stone" rather than an engine for sustained pipeline and bookings stability.

With 3,320 brands to cover, prioritization and account assignment is critical. Even if you disqualified half of the brands and assigned 80-100 accounts per rep, you'd still need 16 to 20 reps to cover this space effectively. Most companies either miscalculate this, or fear investing to grow their SMB customer base. At HotSchedules, we had 27 dedicated SMB reps, all closing deals at a high velocity.

[7] *"How to better predict multi-unit restaurant location growth,"* Restaurantology.

For companies that don't know where to start, a six-region coverage model can create a manageable structure:

1. **Northeast** (NY, NJ, PA, etc.)
2. **Southeast** (FL, GA, TN, etc.)
3. **Midwest** (IL, OH, MI, etc.)
4. **South** (TX, OK, AR, etc.)
5. **Northwest** (WA, OR, CO, etc.)
6. **California** (due to sheer volume)

Even with this structure, each SMB rep would still be responsible for nearly 500 accounts, far too many for sustained outreach. The best teams filter down their targets using data:

- **High-growth & emerging brands first.** Reps should prioritize the 489 brands already expanding faster than their peers.
- **Tech stack detections can confirm relevance.** Filtering for brands already using key vendors (Toast, Olo, etc.) increases conversion rates.
- **Marketing-assisted outbound is viable.** Dropping all available SMB websites into a data enrichment tool—Clay, Apollo, etc.—and layering in light-touch email cadences can boost awareness... but only if the message is highly compelling[8].

Yes, SMB sales teams help farm tomorrow's MM and ENT AEs. The best pipeline builders, cold callers, and closers in this space don't stay here forever. But the worst mistake a sales org can make is not hiring ahead of attrition or, worse, not hiring to cover this space at all.

If none of this has convinced you, please remember this: today's SMB wins are tomorrow's mid-market deals. If a 10-unit brand scales to 40 units, the easiest way to win the MM deal is to already be their vendor.

[8] *"3 tips for crafting emails that cold-pitch SaaS to restaurants,"* Restaurantology.

TL;DR → Give SMB the resources it deserves

As Scott Galloway puts it: "It’s the boring sh*t that makes you rich."

SMB may not be as glamorous as enterprise, but for many restaurant tech B2Bs, it’s where the real money is made. This segment delivers predictable, repeatable revenue without the pricing wars or endless sales cycles of upmarket deals.

Don’t just chase the biggest logos to satisfy your board. A strong, high-margin SMB motion evens out pipeline and bookings volatility, creating a more stable and scalable business.

Mid-market: the most competitive segment in restaurant tech

At 963 brands and over 40,000 units, mid-market appears vast. But when accounting for brands controlled by ENT parent organizations, the true addressable MM segment shrinks to **833 brands operating 34,058 locations.** Every restaurant tech company wants a piece of it, making it the most competitive, hardest-to-penetrate segment in the industry[9].

On paper, MM seems like the sweet spot. It's big enough to justify a dedicated sales motion, and often small enough to avoid the bureaucratic slowdowns of enterprise deals. But in reality? The sheer volume of vendors fighting for attention makes breaking in incredibly difficult.

And despite the default perception that every brand in MM is an emerging player scaling toward enterprise, many are stagnant, shrinking, or stuck in limbo. Treating this segment as one homogenous group is a costly mistake.

How MM is evolving

When you look beyond the blanket growth statements often attributed to this segment, MM reveals itself as more of a revolving door than a straight growth story.

By tracking unit counts on MM websites, Restaurantology detected:

- **52 brands grew from SMB to MM.** These are the rising stars, actively expanding and likely making tech-buying decisions to support growth.
- **15 brands shrank from ENT to MM.** These brands are contracting, likely re-evaluating vendors or reducing spend rather than making big investments.

Strategic insights in the mid-market segment include:

[9] *"It's a competitive time to sell software to restaurants,"* Restaurantology.

- **MM brands are predominantly LSR**. The 21-100 unit segment is 72% limited-service.
- **Not every MM brand is in growth mode.** 35% of MM brands expanded their footprint in 2H 2024, while 5% declined. The remaining 57% stayed relatively flat.
- **Stability is increasing.** The number of MM brands with stable unit counts is up year-over-year, signaling fewer store closures compared to a year ago.

On the tech front, MM brands are adopting more tech than ever:

- Website POS detections increased by 4.2%.
- Detectable loyalty programs grew by 8.2%.
- The number of brands with 5+ tech detections rose by 2.6%.

MM isn't afraid of technology, but that doesn't mean it's an easy sell. Many of these brands already have deep vendor relationships, multiple active initiatives, and limited appetite for disruption. While rising software adoption signals a willingness to invest, it also raises the question: Is there room for another vendor at the table?

For restaurant tech companies, this reality defines the GTM challenge. Brands in MM are buying, but standing out in a segment overwhelmed with sales pitches requires more than just another feature set.

GTM strategy: MM should be selectively prioritized

Most restaurant tech companies can't afford to ignore MM. It's home to some of the most recognizable brands in the market. But while the logos are tempting, not every MM brand is winnable—or even obtainable.

AEs covering MM territories face unique pressures.

Internal challenges:

1. **Bad or missing data leads to inefficiency.** Too much time is spent fact-finding instead of executing against a strategic, documented territory plan.
2. **Pressure from leadership to win every MM brand.** Not all MM brands solve problems the same way. Some align with PMF (integrations, "right problem, right solution"), while others never will. Focus—and ideally, quota[10]—should only be placed on ICP brands where fit is known or can be proven.

External challenges:

- **Every restaurant tech sales team is targeting MM.** Decision-makers here aren't just getting a few cold emails, they're being pitched daily by hundreds of restaurant tech vendors.[11]
- **More competition means more commoditization.** In crowded software categories, deals often come down to price, not product. Asking brands to migrate for a feature rarely works if it means paying 2x what they do today. If a solution doesn't deliver a clear financial or operational advantage, decision-makers won't make the switch.

The best GTM teams prioritize selectively. They don't chase everything, even when that means telling the Board that some MM brands aren't worth covering. The real play is preparedness—knowing exactly who to target, and who to ignore.

TL;DR → Treat MM with cautious optimism

MM may be the most sought-after segment in restaurant tech, but it's also become the hardest to win. The sheer level of vendor competition means breaking in requires a compelling feature set, but also precision, strategy, and a deep understanding of which brands are actually worth pursuing.

[10] *"Certain restaurant tech quotas are really un-SMART,"* Restaurantology.
[11] *"Opinion: Restaurant tech needs to slow down,"* Restaurantology.

Don’t treat MM as a monolith. Focus on emerging growth brands with a laser-focused value proposition. Skip high-volume outreach in favor of strategic, well-timed engagement, ideally before your competition does.

Enterprise: the most infuriating segment in restaurant tech

Enterprise restaurant brands dominate industry conversations, but the actual opportunity here is far more limited than most realize. While vendors chase ENT for its unit count and perceived deal size, this segment is notoriously difficult to penetrate. The landscape isn't just competitive—it's fractured, fragmented, and often impossible to navigate efficiently.

Enterprise isn't as accessible as it looks. At **285 parent organizations controlling over 267,000 locations** in the US and Canada, enterprise brands represent a massive share of total TAM. But raw unit count doesn't equal opportunity. A small number of decision-makers influence thousands of locations, and complex ownership structures make adoption anything but straightforward.

For many restaurant tech B2Bs, targeting ENT too early is more risk than reward. Partnering with large brands too soon can strain resources and limit flexibility. But for restaurant tech companies with a growth model that depends on the "late majority," selling to franchised brands eventually becomes unavoidable. A third of the industry's units are locked up in enterprise brands. They can't be ignored forever.

How ENT is evolving

Unlike smaller segments, enterprise remains remarkably static.

By tracking unit counts on ent websites, Restaurantology detected:

- **16 brands (1,819 units) grew from MM to ENT.**
- **15 brands (1,299 units) dropped from ENT to MM.**
- **Among those that grew, two brands (Swig and Taziki's) were already tied to ENT parent organizations.** Their classification changed, but their internal coverage likely remained the same.

Strategic insights in the enterprise segment include:

- **ENT brands are overwhelmingly LSRs**. Among 101+ unit brands, 81% are limited-service. By total unit count, 91% of locations in this segment belong to LSR brands.
- **Thousand-unit brands all follow a common growth formula.** Nearly all LSRs franchise aggressively.
- **FSR continues to struggle.** Of the 44 restaurant brands with 1,000+ units, only six are full-service. None are expected to break this threshold anytime soon. The closest is Olive Garden.
- **High-growth enterprise brands are almost entirely LSR.** Among 80 emerging ENT brands, only 16 are FSR. Among 14 high-growth ENT brands, none are FSR.

Technology adoption at this level remains complex. Among brands that stayed in ENT from 2023 to 2024:

- **Website POS detections increased by 1.6%.** Toast's push into ENT and MM brands bringing their tech stacks with them likely contributed to this shift.
- **Detectable loyalty program usage dropped by 6.4%.** Many enterprise loyalty solutions are white-labeled or heavily customized, making detection inconsistent.
- **Brands with 5+ tech detections fell by 3.0%.** This could indicate market consolidation, fewer third-party integrations, or deeper vendor entrenchment.

Enterprise brands aren't resistant to technology, but they buy differently. Many already have multi-year vendor contracts, established procurement processes, and organizational complexity that slows decision-making. Remember, winning enterprise opportunities isn't just about selling your innovative technology. More often than not, it's about proving why they should replace what they already have.

GTM strategy: ENT is a grind

The most common go-to-market mistakes in ENT come from miscalculating just how hard it is to break into these accounts.

Enterprise deals are often challenging because:

- **Sales resources—and pressure—come from the top.** Assigning a seasoned AE to a brand that only buys from the bottom-up means asking them to retire quota one dollar at a time. These brands often end up actively ignored.
- **Franchise-heavy brands must be sold independently, repeatedly.** Each LLC operates as its own business, requiring full sales cycles, separate negotiations, and individual deal processing. For brands with thousands of franchisees, this means needing additional headcount just for "order taking."
- **ENT deals always take longer than expected.** No matter how high the internal priority, corporate interest rarely translates into a company-wide mandate. Deals are sold piecemeal over years, despite anxious executives demanding urgency.[12]

Winning ENT requires a full-org sales strategy. The best GTM teams don't just sell "up" to corporate leadership or "down" to individual operators—they sell across the entire organization.

The most effective teams build dedicated franchise sales motions, often with a senior AE directing a team of BDRs to apply simultaneous pressure on both corporate and franchise executives.

Incentives are structured to reward incremental progress, not just massive bookings. True ENT success isn't about signing a single brand-wide deal—it's about aligning individuals and teams with milestones that chip away at these behemoth brands over time.

[12] *"There are only 2 GTM strategies for restaurant tech companies,"* Restaurantology.

TL;DR → Play the ENT long game

Enterprise sales teams are expensive, and enterprise deals—especially in this industry—are difficult to forecast. While some vendors win by securing strategic mid-market brands before they reach ENT scale, most must take the long, relentless path.

Winning in ENT means targeting small franchise groups, driving fanatical usage, and proving undeniable value. For fractured, decentralized brands, success takes time. But if it were easy, everyone would do it.

These logos aren't won overnight, but when you win them, they're worth every ounce of effort.

Final thoughts: the case for hyper-segmentation

The restaurant industry is massive, fragmented, and constantly shifting. Winning here isn't about chasing every deal but about knowing exactly which ones are worth pursuing.

While TAM remains relatively stable, the brands within it are in constant motion. Some are scaling up, others are contracting, and many are stuck in place. Selling successfully isn't just about targeting a segment. It is about focusing on the right brands within it.

Each segment operates differently:

- **IND brands** may seem chaotic, but with the right data, high-value targets emerge.
- **SMB brands** are an overlooked revenue engine offering speed, margin, and sustainable growth.
- **MM brands** are the most competitive where differentiation and strategic focus matter most.
- **ENT brands** appear massive but are highly fragmented and difficult to land.

> "The good news is I think I know how to get you rich. The bad news is the answer is slowly, and it requires a certain amount of discipline early."
> —Scott Galloway

The biggest mistake in restaurant tech sales is treating the industry as one market. Don't just sell into "restaurants." Sell into carefully defined, high-probability micro-segments.

Hyper-segmentation isn't just a competitive advantage. It is the key to winning efficiently.

PART 2

Software Detection & Trends

Analyzing how data and modularization shaped adoption in 2024

The restaurant technology landscape is intensifying. Competition is fierce, pricing pressure is increasing, and profitability—not just growth—is now the priority. Winning in this market requires more than just building the best product. The companies that succeed make themselves indispensable, integrating so tightly into a restaurant's operations that switching feels impractical.

The result? A surge in **modular** offerings. And module adoption.

Tech vendors aren't just offering single-purpose products anymore. They're expanding into adjacent categories, adding new capabilities, and bundling features to create all-in-one ecosystems.

- **Website builders** are expanding into transactions, competing for early-stage restaurant adoption.
- **POS providers** are layering in website builders, reservations, and marketing automation.
- **Loyalty platforms** are moving into ordering, payments, and CRM.
- **Ordering middleware** is evolving into full-scale customer data platforms (CDPs).

For vendors, modularity is both a strategy and a survival tactic. Restaurantology's data shows modular adoption accelerating faster than ever. Tech providers aren't just competing on features anymore. They're fighting for control—of data, workflows, and the ecosystem itself.

Website builders: a modular marketing ecosystem

For years, restaurant website builders served a single purpose: providing static, functional digital storefronts. But as competition intensified and technology consolidated, these platforms evolved into integrated marketing suites. No longer just a tool for online presence, they are now a restaurant's first touchpoint for guest data acquisition.

To stay relevant in an increasingly digital ecosystem, website builders are doubling down on **modular features**, refining native online ordering, enhancing email marketing, and soliciting guest feedback more than ever. The goal is simple: lock in early-stage restaurants (IND & SMB) before they migrate to POS- or loyalty-driven ecosystems.

Competitive landscape: industry-specific offerings

Website builders dominate the IND space, where small operators often rely on them for help managing their first online presence. The TAM in this segment is massive, but website builders face three critical challenges:

1. **Acquisition** – Owner-operators are notoriously hard to reach in the long tail.
2. **Relevance** – Multiple website builders are competing for the same early-stage restaurants.
3. **Retention** – Even after landing a customer, keeping them long-term is a challenge, as brands often migrate to more full-featured platforms.

While generalist platforms like WordPress and Wix remain widely used, industry-specific website builders are gaining traction by offering deeper integrations, native ordering, and marketing tools built for restaurant operations.

By tracking website builder detections on multi-unit websites, Restaurantology detected:

- **BentoBox (+8.5% brands, +3.9% units YoY)** → Slow, steady growth. Still the leader among industry-specific website builders, with 769 multi-unit detections. In

2024, BentoBox expanded its platform to unify website management, ordering, and reservations, positioning itself as an all-in-one restaurant commerce engine.[13]

- **Popmenu (+7.6% brands, +3.7% units YoY)** → Strong module adoption, 568 total detections. The company is doubling down on AI-driven guest engagement, aligning with the broader industry shift toward automation and data-driven marketing.[14]
- **SpotHopper (+69.4% brands, +110.9% units YoY)** → Rapid IND segment expansion, now at 420 total detections. The brand continues to gain traction by offering a full-stack marketing suite tailored to independent operators.
- **Owner (+250% brands, +233.6% units YoY)** → Prioritizing transaction-based revenue and deeper integrations. Now at 129 multi-unit detections. The company's 2024 strategy emphasized expanding its first-party ordering capabilities while strengthening ties to restaurant operations.[15]

These providers are overcoming acquisition challenges, but for website builders, TAM, SAM, and SOM aren't the problem—retention is. A restaurant's first website choice rarely dictates its long-term tech stack. Once operators reach SMB scale (6-20 units), the gravitational pull of POS-driven ecosystems becomes much harder to resist.

Modular expansion: the push to stay relevant

As POS-driven websites (Toast Sites, Square Online) gain traction, website builders are continuing to expand their marketing capabilities, positioning themselves as more comprehensive solutions than POS-native alternatives. How exactly?

- **Ordering modules** → Keeping first-party ordering within the website prevents POS providers from controlling guest relationships and data flow.

[13] *"BentoBox Introduces the BentoBox Marketing & Commerce Platform,"* PR Newswire, February 2024.
[14] *"Popmenu Releases Restaurant Dining Trends to Watch in 2025,"* PR Newswire, December 2024.
[15] *"Series B Investor Memo,"* Owner, Inc., 2024.

- **Email marketing & CRM lite** → Providing restaurants with direct marketing tools POS websites lack, enabling guest engagement before brands commit to larger marketing ecosystems.
- **Guest feedback forms** → Offering light sentiment tracking without full customer experience platforms.

However, despite these additions, website builders still lack access to key transactional guest data. POS owns the payment and ordering touchpoints, leaving website providers fighting for relevance as brands scale.

TL;DR → website builders in 2025

Website builders are adapting to reduce churn, but their long-term role in a restaurant's tech stack remains uncertain. They're the first digital step for many independent restaurants, but staying valuable to growing brands that need deeper integration with transactional guest data for targeted marketing is a real challenge.

The push toward modular expansion as a means of positioning website builders as robust marketing platforms and data hubs is already underway. More website providers are embedding online ordering and guest engagement tools not just to boost retention but to position order data as the foundation for broader marketing. It's a logical product strategy. Leveraging transaction volume to drive profitability while evolving from static websites into revenue-generating ecosystems creates real value.

The question now is whether these platforms can evolve fast enough to keep pace with growing restaurants shifting toward POS-driven and loyalty-based marketing solutions.

POS: a growing, modular data hub

As restaurants expand beyond their first few locations, their need for guest data grows, and their technology requirements become more complex. What begins with a website builder and basic marketing tools quickly turns into the need for a centralized system that can manage multiple locations, customers, and revenue streams. More often than not, the platform that takes control is not a new vendor but the one already embedded in daily operations: the POS.

For POS providers, this shift presents both a massive opportunity and an existential challenge. They are no longer just selling payment processing. They are competing to be the restaurant's core technology hub. To stay relevant, they have aggressively **modularized** their platforms, expanding beyond transactions to offer integrated solutions across key operational and marketing functions.

The strategy is clear. A POS can't just be a payment tool. It has to be a modular ecosystem. The goal is not just to win adoption but to ensure that restaurants scale within their platform, making switching costs too high to justify.

Competitive landscape: Toast leads, others follow

Replacing a POS is a major decision for restaurant operators, one that happens sparingly and only after careful consideration. The difficulty of switching means POS providers aren't competing for frequent churned accounts but for the rare moments when concepts evaluate a change. When that time comes, restaurant operators are more likely to consult their network than rely on a sales pitch. Brand awareness, modular value, and industry reputation all play a bigger role in influencing decisions than direct outreach.

Within this landscape, Toast continues to expand rapidly, outpacing competitors in both adoption and market penetration. Meanwhile, a shortlist of providers continues to grow, while the majority of smaller players are getting squeezed out as the market consolidates.

By tracking POS detections on multi-unit websites, Restaurantology detected:

- **Toast (+24% brands YoY, +28% units YoY)** → The dominant player, expanding upmarket, beyond restaurants, and into international markets.[16]
- **Square (+21% brands YoY, +21% units YoY)** → Consistent growth, driven largely by IND and beverage-focused LSRs, particularly coffee and bubble tea concepts. This expansion aligns with Square's focus on building a resilient, flexible platform designed to support seller acquisition and retention.[17]
- **Clover (+22% brands YoY, +20% units YoY)** → Clover's strengthened integration with BentoBox (both acquired by Fiserv) is contributing to its sustained growth, reinforcing its position as a unified restaurant technology solution.
- **SpotOn (+25% brands YoY, +9% units YoY)** → Logo wins outpace unit growth, indicating a stronger presence in the long tail.
- **Revel (-3% brands YoY, +7% units YoY)** → Acquired by Shift4 in 2024, Revel's existing customer base is likely facing a migration push toward SkyTab. With 117 remaining multi-unit website detections as of December 2024, the transition presents an opportunity for competing POS providers to capture brands reconsidering their tech stack. Expect aggressive outreach from top POS companies looking to convert as many as possible before migration plans are finalized.[18]

For POS providers, the goal isn't just to acquire new brands but to keep existing customers engaged by continuously delivering value. Since every restaurant has unique needs, blanket solutions aren't enough. Ongoing success depends on showing operators that their POS can adapt and scale alongside their business.

[16] *"Toast Third Quarter 2024 Earnings Call Prepared Remarks,"* Toast, Inc., November 2024.
[17] *"Q3 2024 Investor Presentation,"* Block, Inc., November 2024, p. 15.
[18] *"Shift4 Acquires Majority Stake of German POS Company Vectron Systems AG and Completes Previously Announced Acquisition of Revel Systems,"* Shift4, Inc., June 2024.

Modular expansion: POS accelerates add-ons

Beyond installs and transactions, POS market success now depends on keeping restaurants within an ecosystem. To that end, providers have aggressively expanded their capabilities, but at this point, most offer the same core modules. What once set platforms apart is now the baseline.

- **Online ordering & catering** → Toast first announced its catering and events platform in August 2023, hitting 10% install base adoption on multi-unit websites by EOY 2024.[19]
- **Gift cards** → A natural fit for POS, where stored value is managed alongside payment transactions.
- **Website builders** → With online ordering deeply integrated into POS, owning the full digital storefront is an obvious next step. Toast launched its Digital Storefront and Marketing Suites in 2024, and since Restaurantology began detecting it, there are already 121 multi-unit website detections by EOY.[20]
- **Table management (waitlist, reservations)** → A critical data entry point for FSRs, built in-house by some providers and acquired by others.
- **Email marketing** → Used for rewards sign-ups, promotions, and newsletters. The depth of marketing automation varies by provider.

While all-in-one POS platforms look similar on the surface, not all modules are created equal. Some are feature-rich, designed to compete with standalone providers, while others are lightweight add-ons meant to check a box. The effectiveness of these modules often largely depends on the restaurant segment, as what works for SMBs may not scale for upmarket brands that need deeper functionality and cross-platform integrations.

[19] *"Toast Launches Catering & Events Platform,"* Toast Newsroom, August 2023.
[20] *"Toast Launches Digital Storefront and Marketing Suites,"* Toast, Inc., May 2024.

TL;DR → Restaurant POS in 2025

Transactions remain the most reliable and profitable revenue stream for POS providers, but negotiating transaction fees is difficult and typically reserved for only the largest brands. As a result, modules have become a key differentiator, with providers promoting feature-rich ecosystems that appeal to price-sensitive restaurant groups. These modules help lock in customers by adding perceived value and reducing reliance on external solutions.

Some POS companies are leaning into this strategy more aggressively than others. Toast continues to lead in modular innovation and expansion, rapidly rolling out new features to keep customers engaged. Competitors are following suit, but both module offerings and adoption rates remain significantly behind. This gap is likely to narrow in 2025 as others race to catch up.

For those investing in modules, the next challenge is adaptability. Modular ecosystems work well for operators with standard needs, but as restaurants scale and require more advanced functionality, they often turn to specialized providers. This puts POS companies in a difficult position. Supporting third-party integrations helps retain customers, but each connection reduces module revenue and shifts more guest data outside the POS. That makes it even harder to remain the restaurant's central technology hub.

Loyalty: a modular "landgrab" for guest data

More restaurants than ever are prioritizing guest data, but much of it remains fragmented across disconnected systems. While niche restaurant tech companies have long provided ways to capture guest insights, the real challenge has been making that data actionable. Without seamless integration, customer engagement suffers, and marketing efforts fall flat.

As hyper-targeted email marketing becomes the standard, both restaurants and industry-specific loyalty providers are evolving beyond simple data collection toward platforms that unify guest information. Recognizing this shift, loyalty platforms are expanding into **modular** ecosystems, integrating directly with ordering, payments, and CRM to create a more holistic view of guest interactions.

To say that incumbent loyalty has an edge in building out v1 CDPs would be an understatement. Unlike standard POS-based programs, modern loyalty is no longer just about emails triggered by individual transactions. Restaurant brands are now building structured guest profiles and tracking behaviors across multiple touchpoints, leveraging deeper audience segmentation. As demand for better data consolidation grows, loyalty providers are expanding their ecosystems, introducing modules that unify guest data from historically siloed sources. The result is a more seamless, data-driven approach to engagement, where loyalty is not just a program but the foundation of a restaurant's marketing strategy.

Competitive landscape: loyalty platforms are winning

Website detections for proven, legacy loyalty providers in the SMB and mid-market space are up. Way up. More brands than ever are turning to dedicated platforms, driven by the need for deeper guest engagement, better data consolidation, and seamless marketing automation.

By tracking loyalty detections on multi-unit websites, Restaurantology detected:

- **Paytronix (+13.7% brands YoY, +9.2% units YoY)** → Enterprise stronghold, deep integrations, growing in native ordering. In November 2024, Paytronix introduced a Generative AI Assistant to streamline guest engagement practices.[21]
- **Thanx (+12.7% brands YoY, +12.9% units YoY)** → Winning larger brands, strong 2024 expansion. The company launched a new Enterprise Integrations Center in September 2024, enhancing its platform's interoperability.[22]
- **Incentivio (+42% brands YoY, +41% units YoY)** → Rapid growth in SMB and mid-market, leaning into modularity. In February 2024, Incentivio partnered with dlivrd to streamline the catering delivery process, enhancing its platform's modular capabilities.[23]

By the numbers, restaurants are increasingly seeking platforms that do more than track signups, shifting toward robust guest profiles, real-time segmentation, and AI-driven marketing automation.

The increased adoption of first-party data strategies has given loyalty platforms a strategic advantage. Unlike POS systems, loyalty platforms are designed to aggregate, analyze, and act on guest data. This allows them to embed themselves deeper into restaurant tech stacks, often becoming the centralized hub for guest engagement.

Modular expansion: loyalty wants data from everywhere

Restaurant loyalty tech stacks are no longer just about *what* data can be collected, but *how quickly* and *easily* it can be ingested. Platforms built with modules, integrations, APIs, and partnerships between notable restaurant tech players are shifting loyalty operations into bite-sized data conversations around:

[21] "Paytronix Adds GenAI Assistant to Guest Engagement Platform," PYMNTS, November 2024.
[22] "Thanx Launches New Enterprise Integrations Center," QSR Magazine, September 2024.
[23] "dlivrd and Incentivio Enter Strategic Partnership to Streamline Catering Delivery Experience," Newswire, February 2024.

- **Ordering** → Now a non-negotiable for loyalty providers. Order tracking—recency, frequency, and spend—is a *must* in the ecosystem.
- **Gift cards** → If loyalty manages payments, stored value is a natural extension.
- **Catering** → First signs of first-party catering data managed by loyalty platforms are emerging.
- **Feedback** → Exists via sentiment and guest satisfaction partnerships, potentially deepened via acquisition.

Loyalty **openness** is poised to reshape market positioning, especially as established brands push for collaboration between vendors with competing data strategies. Thanx and Olo, for example, openly promote their partnership and shared customers, despite both being viable CRM solutions for upmarket concepts.

One thing is clear: with more brands investing in loyalty and existing programs expanding their capabilities through modules, 2025 is set to be a defining year for providers looking to cement their place as the restaurant industry's data backbone.

TL;DR → Restaurant loyalty in 2025

Loyalty providers continue to position themselves as the central hub for restaurant guest data. As budgets tighten and more brands consolidate their tech stacks, loyalty platforms are integrating deeper across ordering, payments, and CRM to fill critical data gaps.

Based on website technology detections made by Restaurantology in 2024, the industry is clustering around a handful of proven, industry-specific providers. Punchh (PAR), Paytronix, Thanx, and Incentivio continue to lead the space, with adoption accelerating as restaurants prioritize platforms that unify guest data and enable more sophisticated engagement strategies.

The providers now managing the majority of restaurant programs are likely looking for new ways to strengthen their positioning, and AI presents a real opportunity. From automation to predictive analytics to real-time personalization, AI-driven capabilities could become a key differentiator. Those that effectively unify and activate guest data will pull ahead, while others risk being replaced as restaurants seek deeper control over their marketing ecosystems.

Ordering platformization: the rise of truly modular CDPs

Ordering middleware started as a bridge between third-party delivery platforms and restaurant POS systems, solving early challenges like "tablet hell" and fragmented order flow. But as restaurant tech stacks grew more complex, these platforms found themselves sitting at the intersection of every major system.

Because these aggregators were built to manage integrations at scale, they were the first to evolve into centralized platforms where all restaurant data converges. Now, they've moved beyond just facilitating orders. They're actively reshaping how restaurants unify guest data, optimize marketing, and expand digital revenue streams.

To remain indispensable, they've embraced **modularity** and platformization, layering in loyalty, payments, and marketing automation to cement themselves as restaurant tech's connective tissue. Four leading providers are doubling down on this approach, simultaneously building new products and making strategic acquisitions to accelerate their expansion.

Competitive landscape: the "all-in-one" platform

Middleware providers are middleware providers no more. Each is evolving past order aggregation to offer end-to-end solutions with one goal: becoming a full-blown CDP. The race is no longer just about who can integrate orders fastest, but who can provide the most comprehensive restaurant operating system.

By tracking platform detections on multi-unit websites, Restaurantology detected:

- **Olo (+8.1% brands YoY, +0.9% units YoY)** → Industry leader by website detections, 662 multi-unit brands (76k units) verified as of December 2024. In Q3 2024, Olo emphasized expansion beyond core ordering solutions, focusing on guest data, payments, and deepening integrations with restaurant loyalty and marketing stacks.[24]

- **Lunchbox** → Upmarket cross-platform wins announced last year, facing some downmarket pressure as SMB brands shift ordering to Toast and DoorDash Storefront. In April 2024, Lunchbox appointed a new CTO and VP of Product, both from ItsaCheckmate, to enhance its technology leadership and product development.[25]
- **Chowly** → Expanding into website services, loyalty, and marketing automation. In 2024, Chowly acquired Targetable, a digital marketing platform, to bolster its marketing automation capabilities for independent restaurant operators.[26]
- **Checkmate** → Rapidly expanding AI-powered ordering, kiosk support, and refund management. In October 2024, the company secured a $10 million Series B to accelerate product development in voice AI and automation, reinforcing its position in restaurant tech.[27]

Modular expansion: creating enterprise CDP value

As ordering providers look to strengthen their data-platform value proposition, the focus is shifting toward a comprehensive view of guest behavior, both in-store and digital. Beyond facilitating transactions, they are layering on features to capture more of the customer lifecycle:

- **Payments** → A critical expansion area, with Olo Pay as a major focus and growth opportunity.
- **Catering** → Increasing efforts to keep catering data in-house and reduce reliance on third-party marketplace platforms.

[24] "Olo Announces Third Quarter 2024 Financial Results," Olo, Inc., November 2024.
[25] "Lunchbox Recruits Top ItsaCheckmate Technology Executives as it Wins Upmarket," PR Newswire, April 2024.
[26] "Chowly 2024 Recap: Growing Together with Independent Restaurant Operators," Chowly, December 2024.
[27] "Checkmate Secures $10 Million to Fuel Expansion of Its Voice AI, Kiosk and Other Restaurant Technology Solutions," Restaurant Technology News, October 2024.

- **CRM & loyalty** → Developing ecosystems that unify guest data across historically fragmented legacy products.
- **AI & automation** → Enhancing menu management, drive-thru operations, and other operational efficiencies.

The lines between ordering, loyalty, and payments are blurring. Companies building enterprise-grade platforms are now competing to own the full customer journey.

TL;DR → Restaurant CDP in 2025

As restaurant brands scale, their tech stacks become more customized, forcing middleware providers to evolve or risk becoming just another vendor rather than a strategic data hub. The challenge? Differentiation isn't optional—it's survival.

Olo is doubling down on payments and catering while expanding further into mid-market and SMB brands. A newly announced partnership with FreedomPay deepens its push into integrated payments, reinforcing its strategy to own more of the transaction flow.[28] Lunchbox continues shifting toward loyalty and CRM, positioning itself as a guest engagement platform rather than just an ordering tool. Chowly and Checkmate are broadening their capabilities beyond aggregation, testing new ways to drive long-term value.

Looking ahead, the biggest risk for industry-specific CDP platforms built by former order aggregators is the continued disruption of online ordering data. Right now, it's coming from two directions:

1. Third-party delivery (3PD) platforms consolidating restaurant transactions.
2. Legacy loyalty platforms expanding into direct ordering.

[28] *"Olo Announces Partnership with FreedomPay for Deeper Payment Integrations,"* Yahoo Finance, February 2025.

DoorDash Storefront is scaling *rapidly*. In 2H 2024, brands across all segments began routing not just third-party delivery orders, but also in-store pickup through what was once purely a 3PD platform. If adoption continues at this pace, direct ordering could shift away from POS and middleware providers, forcing them to justify their role in the restaurant tech stack as order data consolidates elsewhere.

At the same time, we've discussed the notable rise of loyalty-based CDPs that now offer many of the same integrations that order aggregators once controlled. Middleware providers have long held an edge in managing complex data flows, but as loyalty solutions expand into payments, guest data, and CRM, that advantage is fading.

The question is no longer about adding features but about innovating fast enough to remain indispensable in an increasingly competitive landscape.

Final thoughts: the era of modular data hubs

POS, ordering, loyalty, and website builders are no longer standalone tools. They are competing ecosystems, each expanding to capture and control restaurant data. The industry is consolidating around fewer, more integrated platforms, where **modularity** is not just a feature but a survival strategy.

Early-stage brands start with website builders, prioritizing digital presence before investing in operational tools. As they scale, their POS becomes the central hub, layering on new modules to reduce reliance on external vendors. Mid-market brands need more than basic marketing automation, turning to loyalty platforms for deeper guest insights and retention. Enterprise brands have long depended on aggregators and middleware for ordering and integrations, but these solutions are now evolving into all-in-one platforms that unify guest data, payments, and marketing automation.

The restaurant tech landscape is not just evolving. It is also consolidating and fragmenting at the same time. Vendors are expanding into new categories while restaurants streamline partnerships. The companies that win will not just have the best software. They will be too deeply embedded to replace.

Restaurantology tracks this shift in real time, surfacing the trends behind not just *who* is winning but *how* they are winning. By capturing modular adoption at scale, we help tech providers stay ahead of the curve in an industry where adaptability isn’t optional—it’s everything.

NEED HELP?

Let's Make This Guide Actionable

Using integrated market intelligence to operationalize the systems and teams that drive revenue and accelerate growth

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Data is only valuable if it drives better decisions. The insights in this report show how the restaurant industry is evolving, but the real opportunity lies in how companies apply them to their go-to-market (GTM) strategy. Here are five ways to turn these insights into revenue-driving execution.

5 ways better data drives better GTM strategy

[01] "Codifying" your Ideal Customer Profile (ICP) makes it actionable. If you can't clearly define who you're selling to, you're already losing.

- Focus on data-driven attributes—brand size, tech stack, expansion velocity—that can be collected at-scale across the industry.
- Need a blueprint? Here's how to codify your ICP.

[02] Treat market intelligence as your Sales Ops "cheat code." The best GTM teams don't spray and pray. They build hypotheses, segment accounts, and tailor messaging.

- Group prospects by tech stack, digital maturity, or growth trajectory for sharper outreach.
- If your outbound doesn't start with "Here's why this is relevant to you," you're doing it wrong.

[03] Use data to drive partnership, integration, and acquisition conversations. Cold outreach is harder than ever. The fastest path to pipeline? Strategic partnerships and integrations.

- Use data to identify partners, ecosystem plays, and even acquisition targets.
- A data-backed ecosystem strategy beats guesswork every time.

[04] Build sales motions by segment, and then chase only the right portion. Not all IND, SMB, MM, and ENT accounts are worth covering. Refine your focus.

- IND requires automation. SMB thrives with adequate coverage. MM is about timing and precision. ENT is a long game.
- Success isn't defined by how many logos you assign, it's about *which ones*, *when*, and *why*.

[05] Adoption takes time, and the best GTM strategies account for it. Deals don't close just because you want them to. The strongest GTM strategies align with how restaurants actually adopt technology, not how you wish they did.

- Most ENT adoption happens bottoms-up, not through corporate mandates. Expecting sweeping, system-wide rollouts ignores reality.
- The best GTM teams seed adoption early, build momentum, and expand over time.

TL;DR → Strategy beats speed

Market intelligence isn't just about seeing the industry clearly. It's about moving with intent. The most successful restaurant tech companies don't just act *fast*, they act *smart*. Hyper-segment, be precise and persistent, don't give up.

More from Restaurantology

Looking for more insights? Stay ahead of the industry with Restaurantology's latest content:

- **KNOW THE MARKET** → A 5-step go-to-market guide for companies selling to restaurants. [Watch on YouTube](#).
- **MarketMinds™ Blog** → Deep dives into restaurant industry trends, GTM strategy, and market intelligence. [Read here](#).
- **MarketMinds™ Podcast** → Audio versions of the latest blog insights, for those who prefer to listen. [Listen here](#).

Note from the author

Thank you for taking the time to read Restaurantology's **2024 Market Pulse** industry report!

I hope you found my insights valuable, and encourage you to share them with colleagues, peers, or anyone who could benefit from a deeper understanding of the restaurant industry.

Have questions or feedback? I'd love to hear from you.

I'm always up for discussions about the restaurant industry, modern data acquisition, integrated market intelligence, and data-driven GTM strategy. If you think my experience—or Restaurantology's dataset—can give you a competitive advantage in 2025, don't hesitate to reach out.

Looking forward to the conversation,

Grant Gadoci

CEO @ Restaurantology | GTM, RevOps, and Revenue R&D for B2B Restaurant Tech Companies

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