

ACSI® Restaurant and Food Delivery Study 2024

June 25, 2024



American Customer Satisfaction Index



Restaurant Satisfaction Increases as Inflation Forces Competition to Retain Customers; Food Delivery Debuts in ACSI With Customers Focused on Fees

As consumers face increasingly difficult decisions about food spending, restaurant chains that can differentiate themselves in terms of quality and value will have a competitive advantage. The 1% customer satisfaction gain to an ACSI score of 79 for fast food restaurants is encouraging, as Chick-fil-A leads the way among individual chains for the tenth consecutive year. The 4% gain for full-service restaurants to 84 is impressive, as companies need to retain their loyal customers during periods of economic uncertainty. Consumers continue to show a preference for steaks as LongHorn Steakhouse and Texas Roadhouse tie for the top spot among full-service restaurants.

FULL-SERVICE RESTAURANTS

84 ▲ +4%

FAST FOOD RESTAURANTS

79 ▲ +1%

FOOD DELIVERY

73

Inflation is weighing heavily on the industry as same-store restaurant sales growth slowed in the second half of 2023 despite higher quarterly growth in the first half of the year. While U.S. Census Bureau data show growth in restaurant spending outpacing inflation, rising prices are reducing restaurant visits for those with household incomes under \$75,000. ACSI data indicate that both full-service and fast food restaurant customers are skewing a bit more toward higher income levels and college graduates. Additionally, customers are being forced to make decisions between groceries and restaurants. Full-service restaurant inflation has been roughly two times that of groceries in the past year, while fast food and fast casual restaurants have raised prices at about three times the rate of groceries. All considered, customers are increasingly viewing dining out as a luxury.

Along the same lines, the newly measured food delivery industry shows customers being concerned about fees for this service above and beyond rising restaurant meal prices.

ACSI results are based on surveys conducted over a 12-month period ending in March 2024. ACSI scores are reported on a 0 to 100 scale.

Key Takeaways

FULL-SERVICE RESTAURANTS

- Customer satisfaction with full-service restaurants climbs 4% to 84, placing the industry at the top of the Index overall and helping to explain the overall growth in restaurant spending despite some consumers cutting back.
- Customers continue to show preferences for steaks with LongHorn Steakhouse and Texas Roadhouse both gaining 4% to tie for the industry lead at 85.
- As lower-income consumers cut back on restaurant spending, brands such as Olive Garden and Chili's are focusing on their value propositions, and in turn satisfaction rises 4% to 83 and 80, respectively.
- Consumers who are still eating out are likely enjoying value-oriented deals offered by many different chains.

FAST FOOD RESTAURANTS

- The fast food industry's ACSI score ticks up 1% to 79. Among major chains, Chick-fil-A leads for the tenth consecutive year, despite a 2% decline to 83.
- Following the leader, competition is tight with KFC unchanged at 81 and four brands at 80: ACSI newcomer Culver's, Panera (+5%), Arby's (+4%), and Starbucks (+3%).
- Order accuracy and mobile performance receive high scores as improving technology may be increasing accuracy in filling customer orders.

FOOD DELIVERY

- Food delivery premieres in the ACSI with an industry score of 73, well below the customer satisfaction levels of full-service and fast food restaurants.
- Uber Eats (74) outpaces the other reported major brands, DoorDash (73) and Grubhub (71). The group of smaller food delivery services leads the field (79).
- Customers using food delivery for convenience have higher satisfaction, on average, than those ordering out of necessity. Customers in the latter group give lower ratings on value-related measures.

Study Findings

Customer satisfaction is a driving force that impacts the financial outlook of individual firms and the health of the U.S. economy at large. New results from the American Customer Satisfaction Index (ACSI®) provide customer satisfaction benchmarks for three industries: full-service restaurants, fast food restaurants, and food delivery. The ACSI also captures consumer opinions about critical elements of the customer experience, tailored individually to each measured industry.

FULL-SERVICE RESTAURANTS

ACSI results again show consumer preferences for steaks as LongHorn Steakhouse and Texas Roadhouse both gain 4% to 85, tying for the top spot among full-service restaurants. LongHorn demonstrates its commitment to customer satisfaction by running counter to the shrinkflation trend and providing more value to diners. The chain is also working to maintain a quality-focused culture. Meanwhile, Texas Roadhouse is focusing on keeping prices low, despite inflation, while investing heavily in staffing to maintain team continuity.

Olive Garden climbs 4% to an ACSI score of 83, successfully focusing on operational quality and keeping prices lower than many competitors. Still, the chain faces some risk as lower-income consumers cut back on restaurant spending. Chili's also improves 4% to 80. The chain benefits from a combination of high perceived value through their "3 for Me" menu and service strength through employee retention. Chili's value proposition has led to speculation about whether eating at Chili's can be less expensive than some fast food outlets.

Although still well behind the leaders, IHOP shows impressive progress, jumping 8% to 78. Menu changes that bring more variety are receiving a favorable response from customers. Last year's category leader, Outback Steakhouse, drops 4% to 80. Outback appears to be challenged by a slowdown in spending by lower-income consumers consistent with ACSI findings regarding their customers' price sensitivity.

AMERICAN CUSTOMER SATISFACTION INDEX:

FULL-SERVICE RESTAURANTS

0-100 Scale

COMPANY	2023 ACSI	2024 ACSI	% CHANGE
Full-Service Restaurants	81	84	4%
LongHorn Steakhouse (Darden)	82	85	4%
Texas Roadhouse	82	85	4%
All Others	81	84	4%
Olive Garden (Darden)	80	83	4%
Cracker Barrel	82	82	0%
Chili's	77	80	4%
Outback Steakhouse	83	80	-4%
Applebee's (Dine Brands)	79	79	0%
Buffalo Wild Wings (Inspire Brands)	79	79	0%
IHOP (Dine Brands)	72	78	8%
Red Lobster	79	78	-1%
The Cheesecake Factory	78	78	0%
Denny's	77	76	-1%
Red Robin	77	76	-1%

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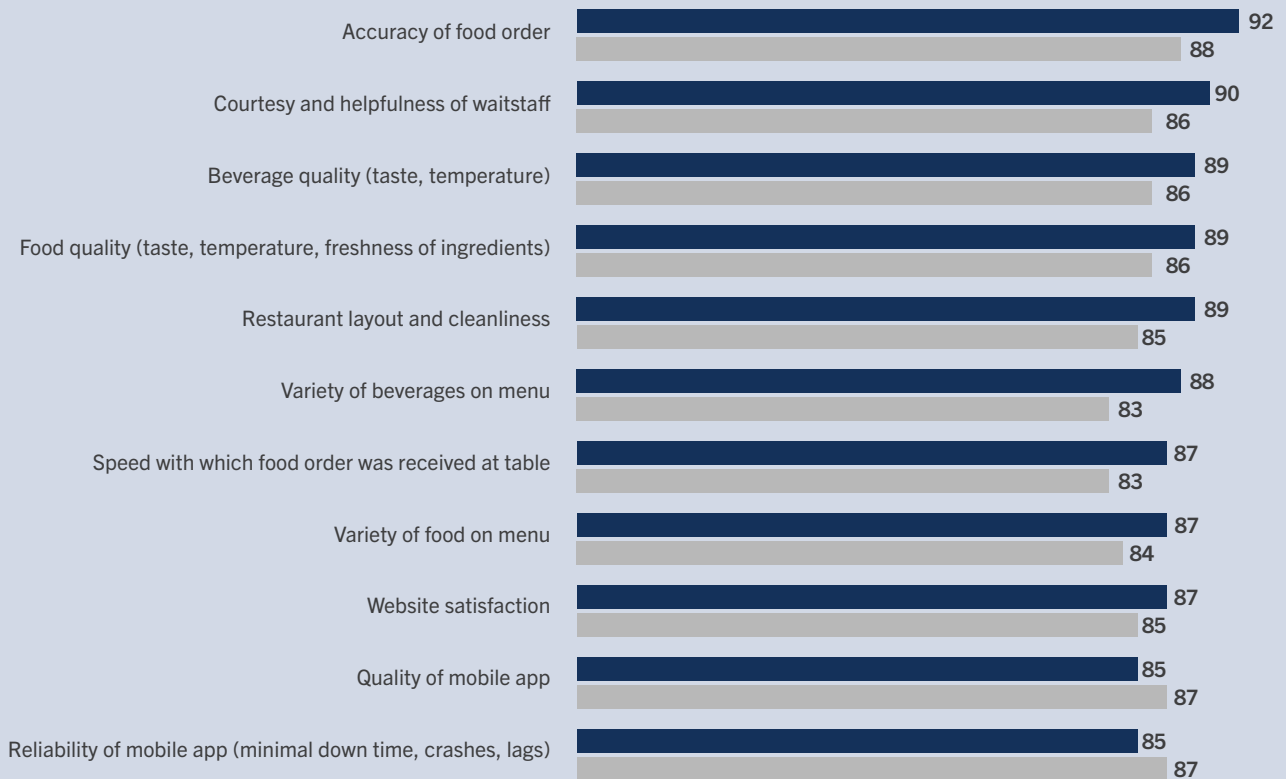
AMERICAN CUSTOMER SATISFACTION INDEX:

FULL-SERVICE RESTAURANTS

Customer Experience Benchmarks Year-Over-Year Industry Trends

0-100 Scale

2024 2023



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Customers indicate better performance across most aspects of the full-service restaurant experience, appreciating restaurants' efforts to satisfy customers despite inflation. Providing an outstanding customer experience will be even more critical for consumers feeling pressured to cut back on discretionary spending. Full-service restaurant respondents for this study have somewhat higher income levels and college graduation rates than in 2023, supporting reporting that lower-income consumers are eating in restaurants less frequently.

FAST FOOD RESTAURANTS

Chick-fil-A drops 2% to an ACSI score of 83 but still leads among individual fast food chains for the tenth consecutive year. This long-term success is reflected in revenue, as the chain's non-mall locations had an average revenue of \$9.4 million in 2023 (more than double that of McDonald's while being open one day less per week). Total U.S. sales growth for Chick-fil-A was nearly 15% last year. KFC finishes second at 81 (unchanged), appearing to hold on to highly loyal customers as competitors cut into their domestic market share.

There is a four-way tie for third place at 80 between ACSI newcomer Culver's, Panera (+5%), Arby's (+4%), and Starbucks (+3%). Culver's continues to open locations at a consistent rate while also growing revenue per location. Among the company's changes are a switch from Pepsi to Coke and the rollout of new thick-cut bacon. Panera has responded to cost-conscious customers with its Value Duets menu, enjoying higher traffic and an improved value proposition. An encouraging sign for Starbucks is growth of its mobile order and payment revenue, which should be helped by the coming expansion of its mobile order option beyond just loyalty program members. Arby's enjoys higher satisfaction as customers appear to respond well to the chain's menu variety and tweaks to value meals, which may be reflected in much stronger value perceptions this year.

AMERICAN CUSTOMER SATISFACTION INDEX:

FAST FOOD RESTAURANTS

0-100 Scale

COMPANY	2023 ACSI	2024 ACSI	% CHANGE
Fast Food Restaurants	78	79	1%
All Others	82	83	1%
Chick-fil-A	85	83	-2%
KFC (Yum! Brands)	81	81	0%
Arby's (Inspire Brands)	77	80	4%
Culver's	NM	80	NA
Panera Bread	76	80	5%
Starbucks	78	80	3%
Domino's	78	79	1%
Papa Johns	80	79	-1%
Pizza Hut (Yum! Brands)	78	79	1%
Five Guys	78	78	0%
Burger King (RBI)	76	77	1%
Chipotle	75	77	3%
Dunkin' (Inspire Brands)	77	77	0%
Panda Express	77	77	0%
Sonic (Inspire Brands)	72	76	6%
Wendy's	74	76	3%
Little Caesars	74	75	1%
Dairy Queen	75	74	-1%
Subway	75	74	-1%
Taco Bell (Yum! Brands)	71	73	3%
Jack in the Box	73	72	-1%
Popeyes (RBI)	74	72	-3%
McDonald's	69	71	3%

NM = Not Measured
NA = Not Available

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AMERICAN CUSTOMER SATISFACTION INDEX:

FAST FOOD RESTAURANTS

Customer Experience Benchmarks Year-Over-Year Industry Trends

0-100 Scale

2024 2023



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Order accuracy (86), mobile quality (86), and mobile reliability (85) receive high scores as improving technology may be increasing accuracy in filling customer orders. In fact, mobile quality exceeds that of full-service chains. Fast food restaurants also receive high benchmarks for staff courtesy and both food and beverage quality (all 84), although sit-down chains outperform fast food on these measures.

As noted for full-service restaurants, pressure for some consumers to reduce discretionary spending will require restaurants to provide an exceptional customer experience to maintain their loyalty. As with full-service restaurants, fast food respondents for the 2024 study have somewhat higher income levels and college graduation rates compared to the prior year, consistent with reporting that lower-income consumers are eating out less frequently.

FOOD DELIVERY

Restaurant delivery services grew rapidly during the pandemic. The food delivery industry continues to expand as many consumers learn to appreciate the convenience of enjoying restaurant food at home without having to leave home for carryout. The food delivery industry debuts in the ACSI with a score of 73 that is significantly lower than both full-service restaurants (84) and fast food restaurants (79). Uber Eats at 74 edges out the other reported brands, DoorDash (73) and Grubhub (71). At 79, the group of smaller food delivery services outpaces all three major competitors.

Satisfaction varies based on the customer's reason for using the service. Those looking for convenience (for example, work schedule, spending time with family, avoiding cooking or grocery shopping) are more satisfied than those ordering due to need (for example, health, not having a vehicle or not wanting to drive). While these groups show similar scores for the ordering process, those using delivery services out of necessity are more frustrated with pricing.

AMERICAN CUSTOMER SATISFACTION INDEX:

FOOD DELIVERY

0-100 Scale

COMPANY	2023 ACSI	2024 ACSI	% CHANGE
Food Delivery	NM	73	NA
All Others	NM	79	NA
Uber Eats	NM	74	NA
DoorDash	NM	73	NA
Grubhub	NM	71	NA

NM = Not Measured

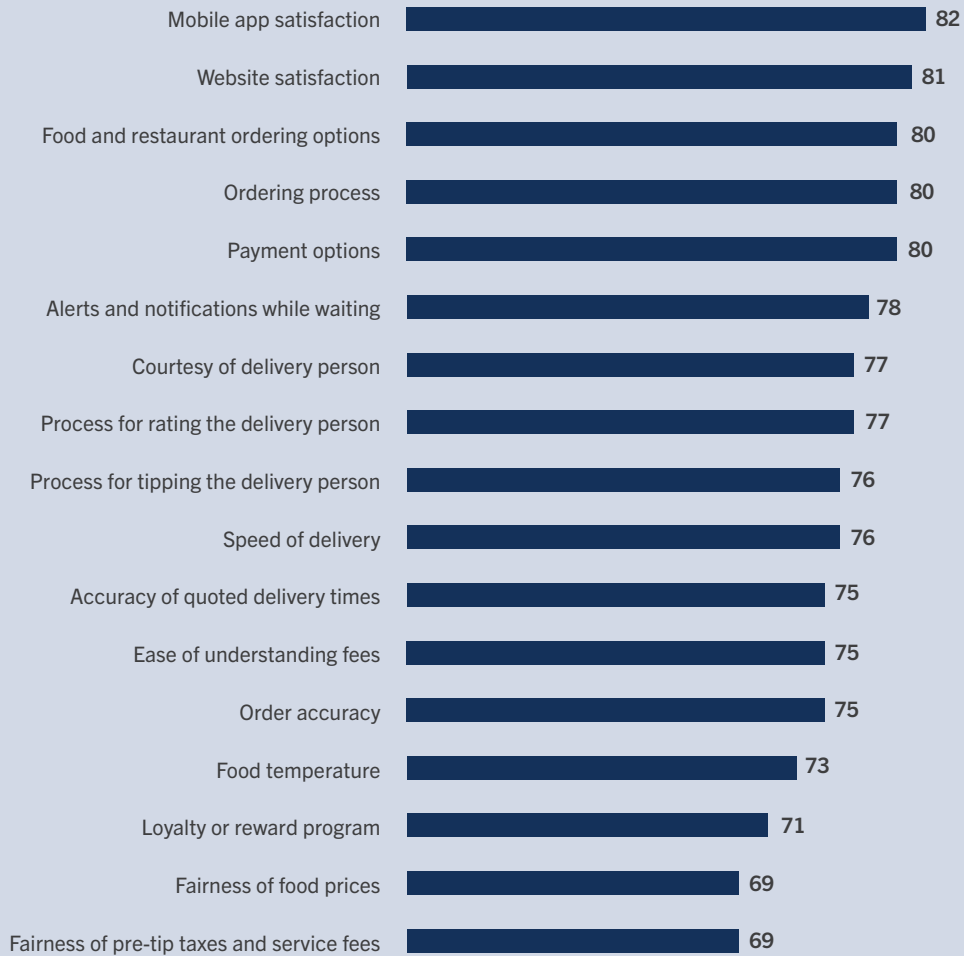
NA = Not Available

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AMERICAN CUSTOMER SATISFACTION INDEX:
FOOD DELIVERY
 Customer Experience Benchmarks 2024
 0-100 Scale



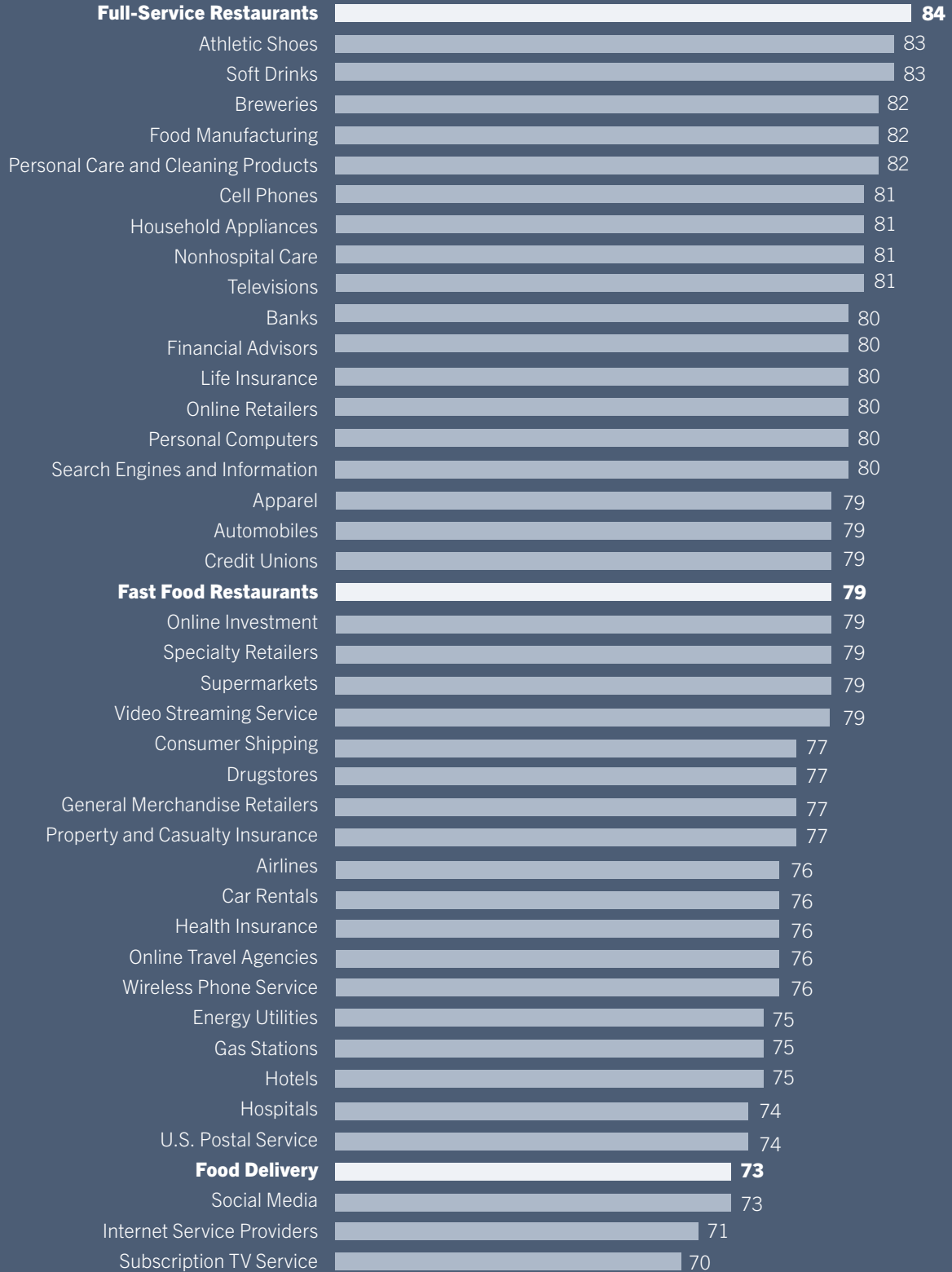
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Customers give the highest ratings to the mobile apps (82) and websites (81) used to place orders. While the ordering process overall receives a score of 80, those that order via websites (77) are less satisfied than those that order using mobile apps (80). Part of that difference represents the score gap for alerts and notifications while waiting, where mobile apps perform better.

The cost of food delivery is a concern in terms of the fairness of food prices (69) and pre-tip taxes and service fees (69). There is a risk of perceptions getting worse as lack of fee transparency gets more attention from consumers and politicians. DoorDash has been promoting its efforts to lower fees, which could create an advantage.

Customer Satisfaction Benchmarks by Industry

0-100 Scale



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Methodology

The *ACSI Restaurant and Food Delivery Study 2024* is based on 14,604 completed surveys. Customers were chosen at random and contacted via email between April 2023 and March 2024 for the restaurant industries and between November 2023 and March 2024 for food delivery. Customers are asked to evaluate their recent experiences with the largest companies in terms of market share, plus an aggregate category consisting of “all other”—and thus smaller—companies in those industries.

ACSI survey data are used as inputs to the Index’s cause-and-effect econometric model, which estimates customer satisfaction as the result of the survey-measured inputs of customer expectations, perceptions of quality, and perceptions of value. The ACSI model, in turn, links customer satisfaction with the survey-measured outcomes of customer complaints and customer loyalty. ACSI clients receive confidential industry-competitive and best-in-class data on all modeled variables and customer experience benchmarks.

About ACSI

The American Customer Satisfaction Index (ACSI®) is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States. The ACSI uses data from roughly 200,000 responses annually as inputs to an econometric model for analyzing customer satisfaction with approximately 400 companies in about 40 industries and 10 economic sectors, including various services of federal and local government agencies. ACSI results are released throughout the year, with all measures reported on a scale of 0 to 100.

ACSI data have proven to be strongly related to several essential indicators of micro and macroeconomic performance. For example, firms with higher levels of customer satisfaction tend to have higher earnings and stock returns relative to competitors. Stock portfolios based on companies that show strong performance in ACSI deliver excess returns in up markets as well as down markets. At the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

Contact Information

For more information regarding this study; the full-service restaurant, fast food restaurant, and food delivery industries; and how the ACSI can help your company harness the power of customer satisfaction to improve your bottom line, visit www.theacsi.org or contact:

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