

# 2025 Phygital Index

A Deep Look Into Consumer Trends, Ordering Habits and Loyalty Behaviors for QSRs and Fast Casual Restaurants



# A Brief Overview

Rising prices and concerns about inflation are making some diners more intentional about their spending, leading them to rethink their dining habits. Meanwhile, the growing influence of digital ordering is reshaping how consumers choose where and how to dine.

Phygital innovations like kiosks, mobile apps, and AI-powered ordering seamlessly blend digital and in-person experiences, expanding the possibilities for convenience, customization, and value.

The intersection of these trends presents QSR/fast-food and fast-casual brands with new challenges in retaining loyalty and driving engagement. But it also creates fresh opportunities to elevate the customer experience and build stronger connections.

To better understand how these factors are influencing dining preferences and what it means for restaurant operators, Tillster surveyed 1,500 QSR/fast-food and fast-casual consumers in the U.S.

**The results show that with more choices than ever, diners expect seamless, rewarding experiences that make every dollar spent feel worthwhile.**

Key trends revealed in the data include:

- **Loyalty is fluid** A significant share of consumers say their favorite QSR/fast-food or fast-casual chain has changed in the past 12 months.
- **Price matters, but it's not everything** Diners assess value based on a mix of factors, including food quality, order accuracy, and the quantity of food they receive.
- **Customization and convenience are must-haves** Self-service kiosks, digital ordering, and AI-driven personalization are reshaping consumer expectations.

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## The Evolving Dining Landscape

Diners are reassessing what matters most when choosing where to eat





# Insight 1: Consumer Loyalty Is Up for Grabs in 2025

Diners are open to change, and their old loyalties to familiar favorites may be shifting:

**A third of diners (33%) say their favorite QSR/fast-food or fast-casual chain has changed in the past 12 months.**

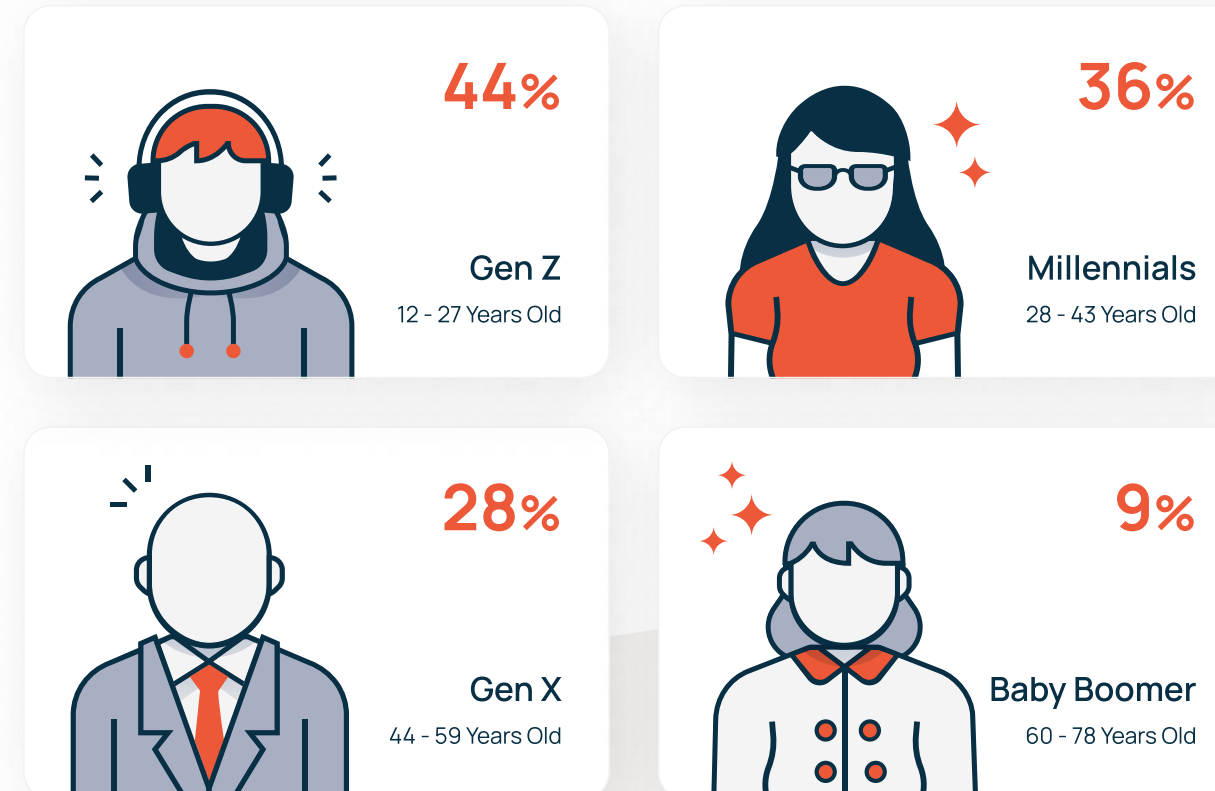
**Gen Z's loyalties are the most fickle** - 44% of Gen Z diners say their favorite chain changed in the past 12 months. And it's not just Gen Z — 36% of millennials also say their favorite chain has changed, followed by 28% of Gen Xers and 9% of baby boomers

**What's behind changing loyalties?**

**Spoiler alert: *It's not all about price.***

The Top 2 factors driving customers to switch their favorite chain are **better food (46%)** and **better value (40%)**. However, only a quarter of respondents (26%) say more or better offers and deals played a role in attracting them to their new favorite chain, indicating price is only one element influencing loyalty and diners' perceptions of value.

## Diners Say Their Favorite QSR/Fast-Food Or Fast-Casual Chain Has Changed



The Evolving Dining Landscape

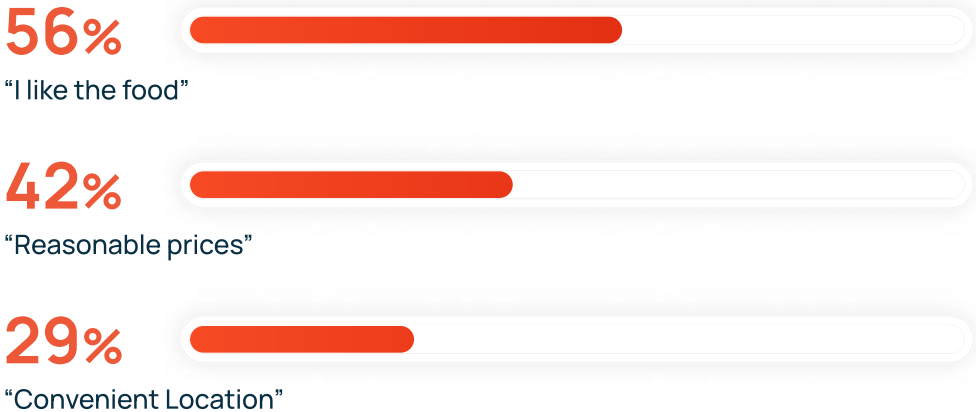
Insight 1: **Consumer Loyalty Is Up for Grabs in 2025**

In fact, for most diners, personal preferences outweigh price when it comes to their current favorite QSR/fast-food or fast-casual chain. When asked what makes their favorite spot their favorite, respondents were more likely to select “I like the food” (56%) than “reasonable prices” (42%).

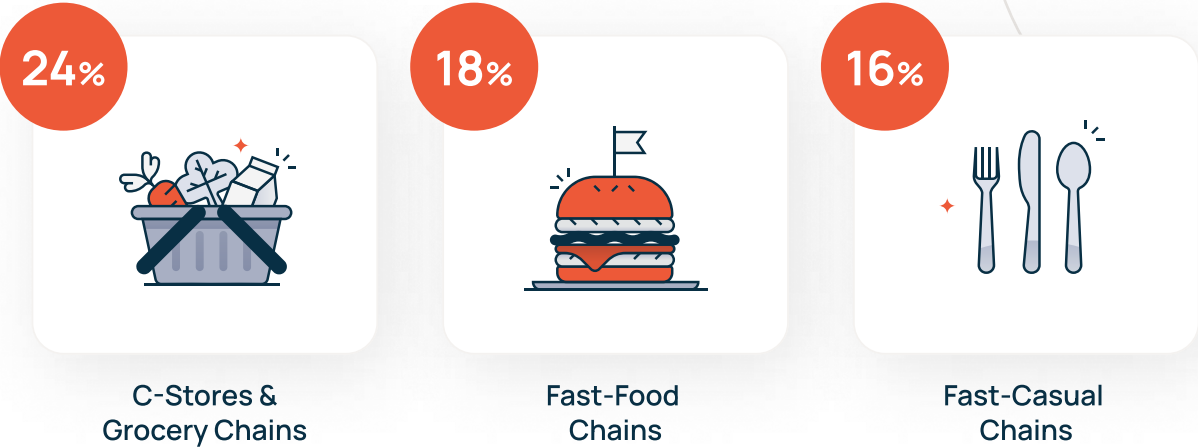
This suggests that once a diner becomes a loyal customer, they’re less likely to be enticed by offers from competitors – but that doesn’t mean other value-driven experiences, such as new menu options or better service, won’t pique their interest.

Together, these insights reinforce that every interaction shapes guest retention and brand perception, making it essential for QSR/fast-food and fast-casual brands to deliver consistently compelling experiences that go beyond price and promotions.

**Why Diners Choose Their Favorite Fast-Food and Fast-Casual Chains**



**On The Rise: Food Spots Diners Are Visiting More Than Last Year**



**CStores and Grocery Chains Gain Traction With Diners**

Doubling down end-to-end customer experiences is especially critical as the competitive landscape expands, with convenience stores (C-stores) and grocery chains offering made-to-order snacks and meals that challenge traditional QSR/fast-food and fast-casual options.

A quarter of diners (24%) say they visit C-stores and grocery chains **more frequently** than they did 12 months ago. That’s significantly higher than the share who visit QSR/fast-food chains (18%) or fast-casual chains (16%) more frequently than 12 months ago.





## Insight 2: Cost-Conscious Diners Are Cutting Back, Not Cutting Out

As more diners turn toward C-stores and grocery stores for a quick bite, QSR/fast-food and fast-casual chains need to keep quality of food — and the full dining experience — top of mind or risk losing foot traffic.

While value is about more than price in 2025, it's impossible to ignore how price pressure is impacting consumers' spending habits. **This year, 45% of diners say they are visiting restaurant chains less often due to rising prices.**

In addition, nearly half of respondents (49%) have **decreased their budgets** for eating out in the past six months due to economic conditions. This shift underscores the growing need for QSR/fast-food and fast-casual brands to demonstrate value beyond price. With diners becoming more selective about where they spend, brands that offer a clear and rewarding experience will have a better chance of retaining customers despite tightened budgets.

That said, a fifth of diners (21%) say they've **increased their dining-out budgets** in 2025 — perhaps because they're unwilling to give up their favorite comfort foods or see loyalty program perks as a way to make dining out more economical amid inflation.

However, QSR/fast-food and fast-casual chains should remember these consumers could close their wallets at any time if they don't feel valued by the chains they visit most. In this moment, it's critical to reinforce loyalty by emphasizing exclusive rewards and experiences that make eating out feel like a smart choice rather than a luxury.

### Diners Are Managing Their Spending In Response To Higher Restaurant Prices



**49%**

Decreased budget  
for eating out



**45%**

Are visiting restaurants  
less often



**38%**

Are choosing  
lower-priced items



**33%**

Are buying  
fewer add-ons



**30%**

Use loyalty programs  
and offers more often

## Insight 3: Today's Diners Look for Value Beyond The "Value Menu"

As we've seen, price will always be an element of how consumers think about value, but it's not the full story.

**Price (59%), quality or freshness of food (56%), and order accuracy (33%) are the top 3 most important factors for respondents when assessing the value of their dining experiences.**

This indicates that diners balance what they're willing to spend with the quality of the food they get. The focus on order accuracy may reflect the rise of digital ordering methods like apps and kiosks that make it easier to specify customizations.

Given this set of criteria, it makes sense that QSR/fast-food restaurants continue to dominate the value conversation. Their ability to offer affordable, consistent, and convenient meals positions them as a go-to choice for budget-conscious consumers who still seek quality.

### How Consumer Define "Value" in 2025 - Top 3



**59%** Price



**56%** Quality Or Freshness Of Food



**33%** Order Accuracy



Insight 3: Today's Diners Look for Value Beyond The "Value Menu"

## QSR/Fast-Food Chains Maintain Their Stronghold on Value

QSR/fast-food chains provide diners with the best balance of price, quality, and convenience.

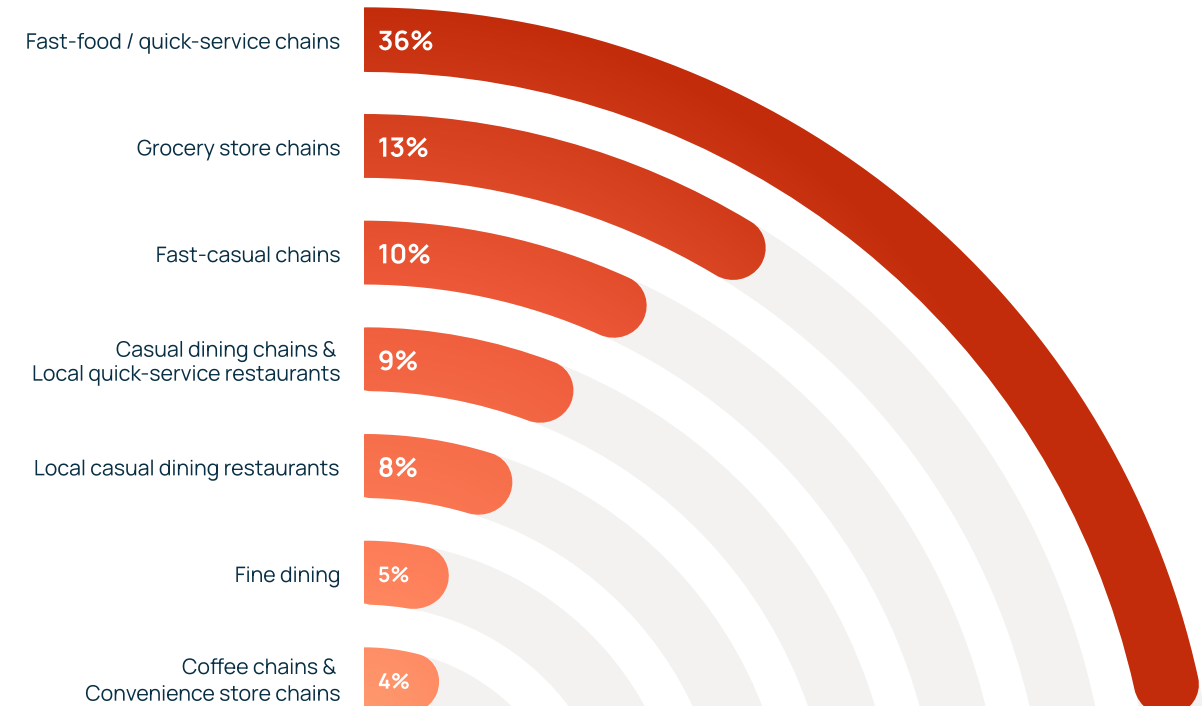
**According to 36% of consumers, QSR/fast-food chains deliver the best value for what they pay – far surpassing the 4% who say the same about C-store chains and another 4% who cite coffee chains.**

One explanation could be that QSR/fast-food restaurants provide a full meal experience, complete with an entrée, sides, desserts, and even premium drink options, at a competitive price.

That stands in contrast to convenience store fare, which often consists of individual grab-and-go or made-to-order items that may not offer the same sense of value or satisfaction as a meal deal.

**In fact, the largest share of respondents (33%) primarily orders snacks at convenience stores, indicating diners generally don't associate C-stores with meals.** In contrast, 35% of diners say that lunch meals make up the largest share of their orders at QSR/fast-food and fast-casual chains and another 35% say the same about dinner meals.

### Where Diners Believe They Get The Most Value When Eating Out



# The Evolving Dining Landscape

## The Intersection of Value and Loyalty

Diners' expectations are evolving, and no consumer-brand relationship is guaranteed to last. Though many face budget pressure, pulling out all the stops with aggressive discounting won't necessarily drive long-term loyalty – or even short-term foot traffic.

Instead, QSR/fast-food and fast-casual chains need to provide experiences that justify the spend. That means emphasizing the full value of the dining experience by blending personalized offers and incentives with reliable convenience and consistent food quality.





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# Phygital Innovations Transform Brand Loyalty

When done right, blending digital and physical experiences deepens customer connections



# Insight 1: Kiosks Deliver Convenience and Drive Higher Order Value

QSR/fast-food and fast-casual chains have long promised diners they can “have it their way” — and kiosks deliver. The popularity of kiosks for in-store ordering is another example of diners’ surging expectations for customization, convenience, and order accuracy.

In fact, **61%** of kiosk users say they want more kiosks in restaurants — an all-time high, up from 57% in 2024

At the same time, the share of diners who prefer to order through a cashier may be shrinking: 25% say they have been ordering inside the restaurant through a cashier **less often** compared to this time last year. It’s a signal that consumers are increasingly flocking toward tech-driven ordering options.

**42%** of consumers order from a kiosk **at least once per week**

What’s behind accelerating kiosk adoption? **For consumers, kiosks make the ordering experience all about them:** They can order fast and specify — and receive — their exact customizations with minimal friction. And being able to visually review their orders for accuracy is a **top reason to order at a kiosk for 36% of users.**

## Top Reasons Diners Prefer Kiosks



**36%**

“I can visually review my order for accuracy”



**31%**

“It’s more convenient”



**30%**

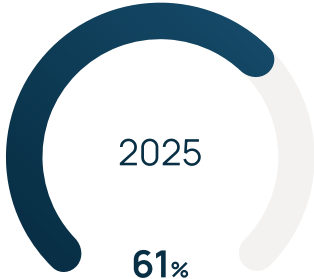
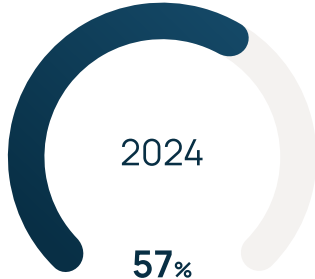
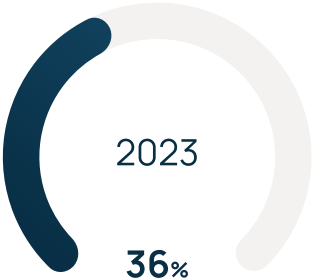
“It’s quicker”



**30%**

“I Like the custom options”

## Rising Consumer Demand for Self-Service Kiosks Over Time







### Prime Revenue Opportunity

76%▲

of kiosk users say they order more items than they initially intended to at least some of the time

Adding more kiosks to restaurants is a strategic move for QSR/fast-food and fast-casual chains looking to deliver positive experiences for customers that maximize sales.



Powered By  tillster

### A “Surprise and Delight” Opportunity

Kiosks make it easy for diners to explore menus in more depth and discover customization options through intuitive prompts.

An impressive **62%** of kiosk users have been surprised by menu items or order customization options they weren’t previously aware of when using a kiosk, up from 60% in 2024.

Chain operators can use kiosk customization options to tailor offerings to regional preferences by location and highlight relevant add-ons. This provides a valuable opportunity to connect with a local customer base through personalized experiences that result in higher engagement and increased up-sells.

### Case Study: Finding More Profits

A franchisee of a top QSR brand was able to significantly boost profits by using Tillster’s kiosk software to showcase jalapenos as a menu add-on item, catering to the taste of local residents.

# Insight 2: Digital Ordering Is Now Synonymous With Convenience

As digital ordering becomes a standard part of the dining experience, consumers expect digital tools to make ordering faster, easier, and more intuitive.

For example, diners would like to see restaurant apps and websites offer smart or personalized menus tailored to their preferences. More than two-thirds of website and app users (68%) highly value the ability to save order

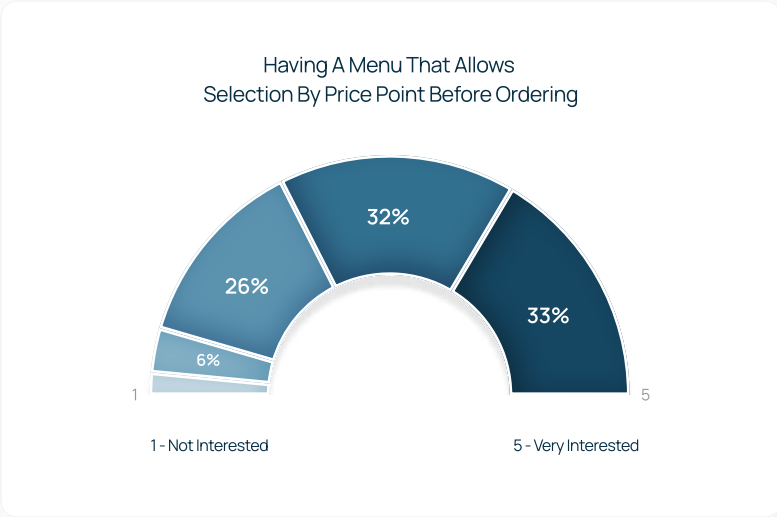
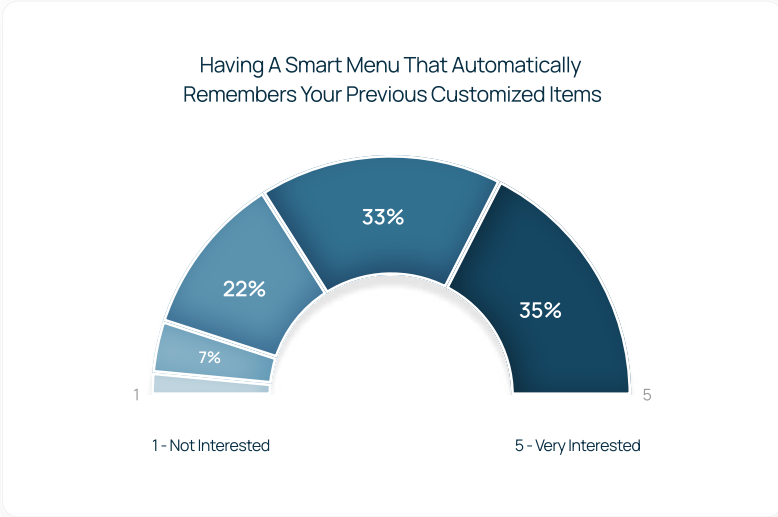
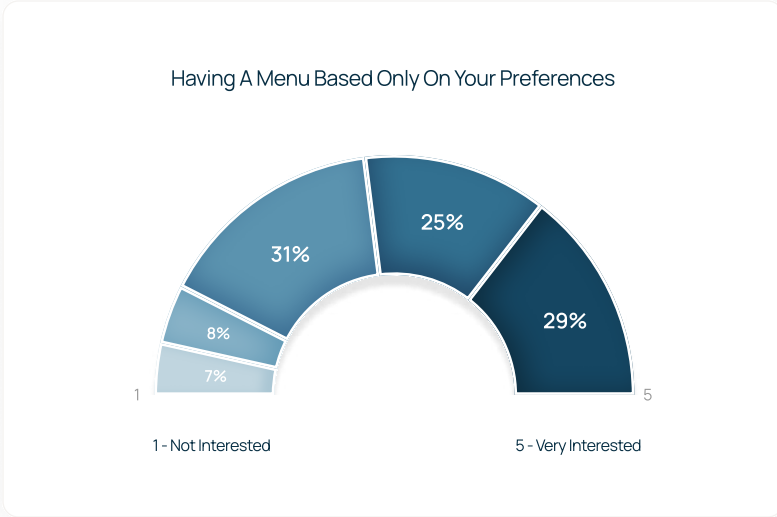
customizations for quick and easy reordering, rating it a 4 or 5 on a scale of 1-5. Similarly, 65% of website/app users are highly interested in the ability to filter menu items based on their specified price point, rating it a 4 or 5.

Further evidence of this trend: Core app functionalities like user-friendliness, mobile payments, and loyalty programs are non-negotiables for the majority of restaurant app users.

These features have become table stakes, setting the baseline for a seamless digital experience.

But as expectations evolve, diners are looking for more than just the basics. Diners rate advanced features like remembering past orders or frequently ordered items as “nice-to-have.” **This is where brands have the opportunity to stand out.**

Website And App Users’ Interest In Digital Order Customization Features

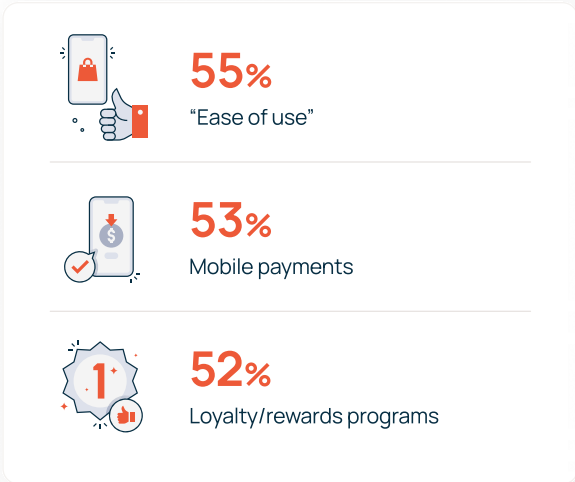


Insight 2: Digital Ordering Is Now Synonymous With Convenience

By offering deeper customization, predictive ordering, and tailored promotions, brands can differentiate themselves with advanced customization options that give users full control over their dining experience and build deeper loyalty. Seamless integration between digital and in-person ordering is also essential: **61% of app users say it would be nice if apps could remember their orders from every visit, including those placed in-person.** This reinforces the need for a unified, frictionless experience across all touchpoints.

Even minor friction points — like inaccessible order history from in-person transactions — can erode loyalty. To stand out, QSR/fast-food and fast-casual chains need to go beyond basic functionality and deliver smart, data-driven experiences that make every interaction effortless and rewarding.

“Must-have” Table Stakes App Features



Valued App Features



Voice AI Gets the Green Light From Drive-Thru Guests

Despite initial industry skepticism about voice AI ordering at drive-thrus, diners are open to the concept. **The majority of respondents (60%) feel comfortable ordering at a drive-thru with a voice AI bot.**

Younger diners are even more likely to agree they would feel comfortable using an automated/AI voice ordering bot, suggesting acceptance of AI-driven interactions will only accelerate.

Share Of Diners Comfortable With Voice AI Ordering At Drive-Thrus

Gen Z: **67%** | Millennials: **63%** | Gen X: **56%** | Baby Boomers: **45%**

Of the 34% of respondents who say they have noticed a voice AI ordering bot at a drive-thru, the majority (78%) said they had a positive or somewhat positive experience using the bot. Most respondents experienced some minor issues, but sentiment remains positive overall — and as with any new technology, performance will improve with time.

What It Means For QSR/Fast-Food Brands:

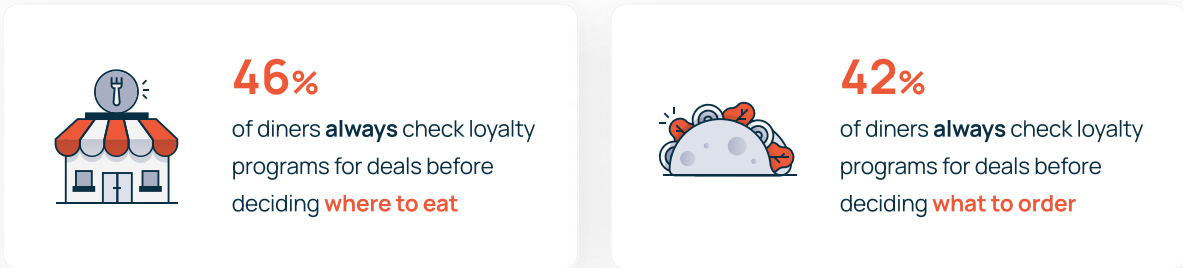
With younger generations embracing voice AI ordering, the technology is here to stay. Voice AI enhances order accuracy and speed at drive-thrus, improving the overall guest experience. In addition, it allows QSR/fast-food brands to free team members from order taking on headsets so they can focus on food quality and higher-impact guest service tasks.



# Insight 3: The Role of Loyalty Programs in Building Brand Affinity

Loyalty programs continue to play a critical role in attracting and retaining diners to QSR/ fast-food and fast-casual chains. While they’re just one piece of the broader brand loyalty equation, they’re a powerful tool for keeping diners engaged and returning.

**Case in point:** Nearly all loyalty program members check loyalty programs for deals before deciding where to eat (93%) and what to order (96%) at least some of the time.



However, most diners only belong to a handful of loyalty programs, which means QSR/ fast-food and fast-casual chains need to deliver experiences and incentives that make membership worthwhile.

**Over half of diners (51%) belong to three or fewer loyalty programs, and 35% don’t belong to any at all.** This may be a sign consumers are only willing to download restaurant loyalty apps for the chains they visit most.

Number Of Loyalty Programs Respondents Belong To

0	1	2 - 3	4 or More
35%	17%	34%	14%

With real estate on phone screens at a premium, QSR/ fast-food and fast-casual chains must give diners a compelling reason to keep a loyalty app installed. That means delivering meaningful rewards, seamless user experiences, and personalized ordering options to reduce friction and make every interaction valuable.



Insight 3: **The Role of Loyalty Programs in Building Brand Affinity**

What qualifies as a meaningful reward in the eyes of loyalty program members? For many, receiving free items (57%) and the ability to choose rewards (43%) are the most popular loyalty program perks.

What's more, loyalty program members expect to earn loyalty rewards often.

**Nearly three-quarters (73%) expect to receive a reward every 1-5 orders.** This underscores the importance of making rewards attainable within a reasonable timeframe. If earning feels too slow, diners may disengage or opt for a competitor's program instead.

Brands that make rewards attainable can drive stronger engagement and long-term participation. The right mix of tactics will depend on a brand's loyalty program maturity, but it should include strategies like refining incentives for price-sensitive diners, offering exclusive perks for high-frequency customers, and enhancing digital experiences to make participation effortless.

**Top Qualities Of Favorite Loyalty Programs**



**57%**

I learn free items frequently



**43%**

Ability to choose the rewards I want



**37%**

Easy to understand and use

**Frequent Rewards Are The Expectation**

**49%**

of loyalty program members expect a reward every **3-5 orders**

**24%**

of loyalty program members expect a reward every **1-2 orders**



**Higher Income Households Double Down on Loyalty Programs**

Higher-income consumers are **more likely** to engage deeply with loyalty programs.

A third of consumers with an annual household income of \$200,000 or more (33%) participate in **at least four** loyalty programs, with 20% of those earning between \$100,000-\$199,999 doing the same. By contrast, only 15% or fewer of respondents in other income categories belong to four or more programs.

This presents an opportunity for QSR/fast-food and fast-casual brands to segment their approach – whether by positioning themselves as a must-have loyalty app on consumers' phones or by designing value-driven campaigns tailored to different spending behaviors.

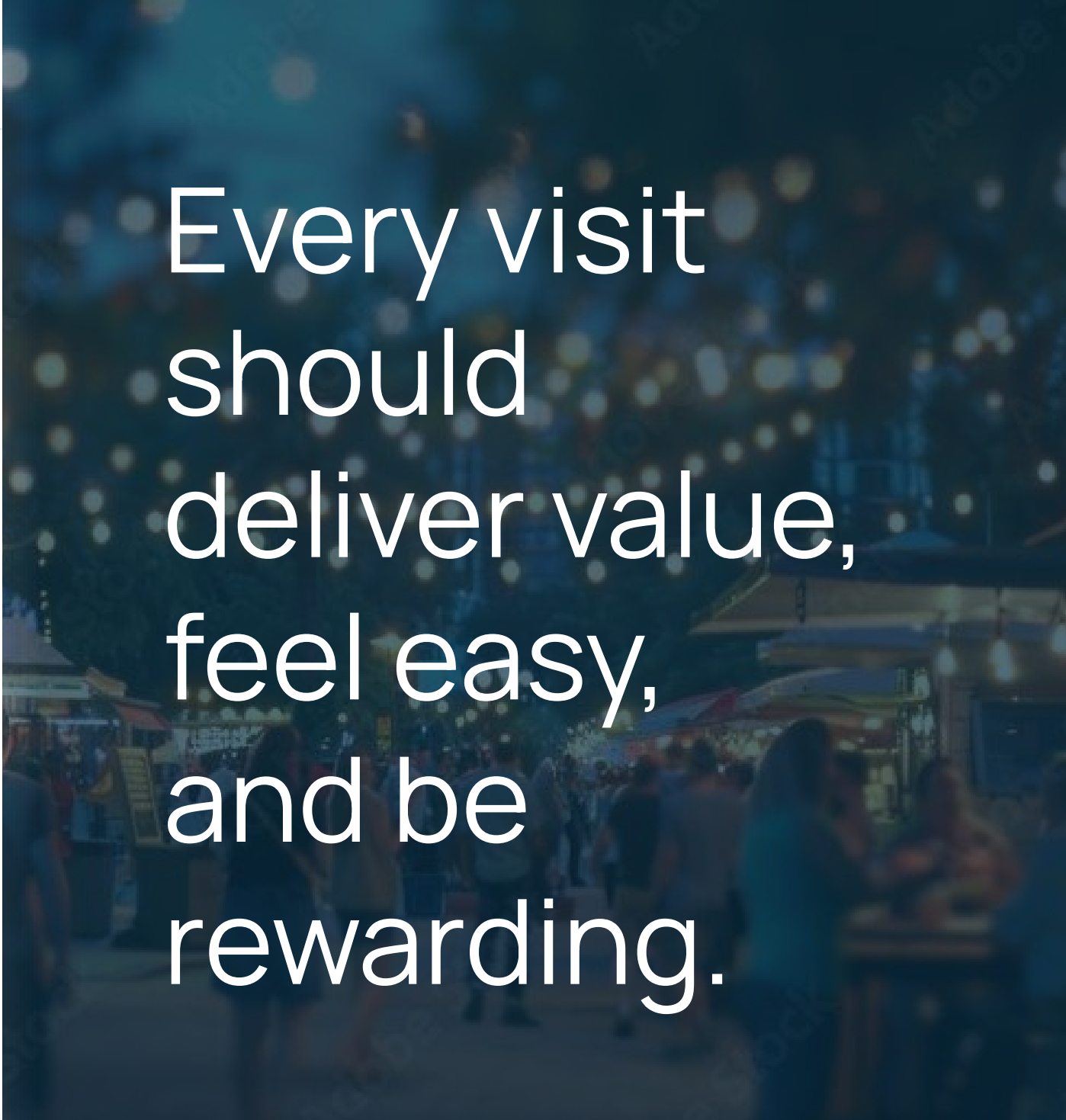
# Phygital Innovations

## Transform Brand Loyalty

### Make Every Interaction Count

Diners will continue to reward QSR/fast-food and fast-casual chains that eliminate every point of friction from the dining experience. As more diners gravitate toward kiosks and other digital ordering methods, going beyond basic functionality to deliver intuitive, seamless interactions is more important than ever.

The digital shift also makes loyalty programs more accessible, enabling diners to easily track progress and apply rewards. But with that convenience comes higher expectations. To keep members engaged, brands need to make rewards feel attainable, offer meaningful incentives tailored to behavior, and integrate loyalty features naturally into every digital touchpoint.



Every visit  
should  
deliver value,  
feel easy,  
and be  
rewarding.





# Findings & Reflections

| What It Takes to Win on Value in 2025



## Winning in 2025

01

Consumers are willing to engage with QSR/fast-food and fast-casual chains that meet their expectations – but they're also quick to switch their loyalties if another restaurant brand delivers better value.

02

Diners have more choices than ever, and their expectations are only rising. Winning their long-term commitment requires a seamless, intuitive, and personalized experience at every touchpoint in addition to quality food and excellent service.

03

Digital ordering through kiosks and apps has become the foundation of modern guest interactions, setting the stage for deeper engagement through robust customization, high convenience, and complete order accuracy.

04

Brands that anticipate their guests' needs and push the boundaries of digital ordering innovation will build stronger consumer relationships and foster lasting loyalty.

## About Tillster

Tillster is the leading global provider of unified commerce solutions for QSR and fast-casual brands.

With trusted solutions for kiosk digital ordering, delivery, couponing and loyalty solutions, across web, app, kiosk, and call center platforms, the company empowers restaurant brands looking to increase revenue, achieve operational efficiencies, and better engage guests. Powering 35 million orders per year across more than 40,000 locations, Tillster offers the added dimension of integrated marketing and data mining, including a proprietary AI and machine-learning tool. With teams in North America, Latin America, EMEA, and APAC, Tillster serves more than 100 global and regional brands, including Burger King, Baskin-Robbins, Popeye's, Porto's, and Pollo Campero.

For more information, please visit <https://www.tillster.com>.

## Methodology

Tillster commissioned an independent survey of 1,500 U.S.-based diners who ordered food from a QSR/fast-food or fast-casual chain within the past three months about their ordering habits, experiences, and preferences. The sample set included 450 Gen Zers, 450 millennials, 450 Gen Xers, and 150 baby boomers. There was a roughly even distribution of male and female respondents. The survey was conducted in February 2025.

Ready to **elevate** your **digital ordering** experience and drive deeper consumer engagement?

Tillster's industry-leading solutions help QSR/fast-food and fast-casual brands deliver seamless, customized, and value-driven experiences that keep guests coming back. Let's create a seamless digital experience that works for your consumers on-premises and off.

**Let's Chat**