



Voice of the Canadian Restaurant Industry

Explore new data, insights, and opportunities for restaurant growth.

2025





FOREWORD

Resilience and the Canadian restaurant industry go hand in hand.

Amid a backdrop of turbulent economic headwinds, restaurants in Canada are feeling the pressure. Inflation is up, **consumer confidence is down**, tariffs are dominating, and prices are high, with the cost of commodity goods like **ground coffee surging by 19%** since the start of 2025. According to **Restaurants Canada**, **53% of restaurants** are operating at a loss or just breaking even.

But Canada's restaurant community is rising to the challenge. In the face of economic difficulty and a market where profitability and sales growth are primary challenges and goals, Toast's research has revealed that most Canadian restaurants still anticipate increased sales in 2025.

And, although Toast's survey respondents reported an overall pessimism about the likelihood of their businesses staying open in the next year, the restaurant community is leaning into the smart technology that enables them to thrive, day in, day out. That's certainly how Nick Florek, Head of Back of House at Gordon Food Service, sees it:

This report, which is based on research from over 400 Canadian restaurants, provides context and a data-rich overview of how restaurateurs are feeling about the state of the hospitality industry in Canada. We hope you find it insightful.

“While rising costs and economic uncertainty continue to shape the Canadian hospitality landscape, there are many reasons for optimism. The path forward lies in embracing innovation and harnessing the power of digital tools and restaurant technology. By doing so, hospitality leaders can drive greater efficiency, build resilience, and position their businesses for long-term, sustainable growth.”



Nick Florek

Head of Back of House | Gordon Food Service



INTRODUCTION

In the 2025 Voice of the Canadian Market Report, we explore how Canadian restaurant owners are navigating the current hospitality landscape and the challenges they face.

Focusing mainly on restaurants with a high Gross Merchandise value, the report details insights from over 400 Canadian restaurants.

We'll explore the findings from our survey and shed light on Canadian restaurant business outlook, business goals and pain points, as well as how restaurant owners are responding to external economic pressures like inflation.

Let's take a look at the data

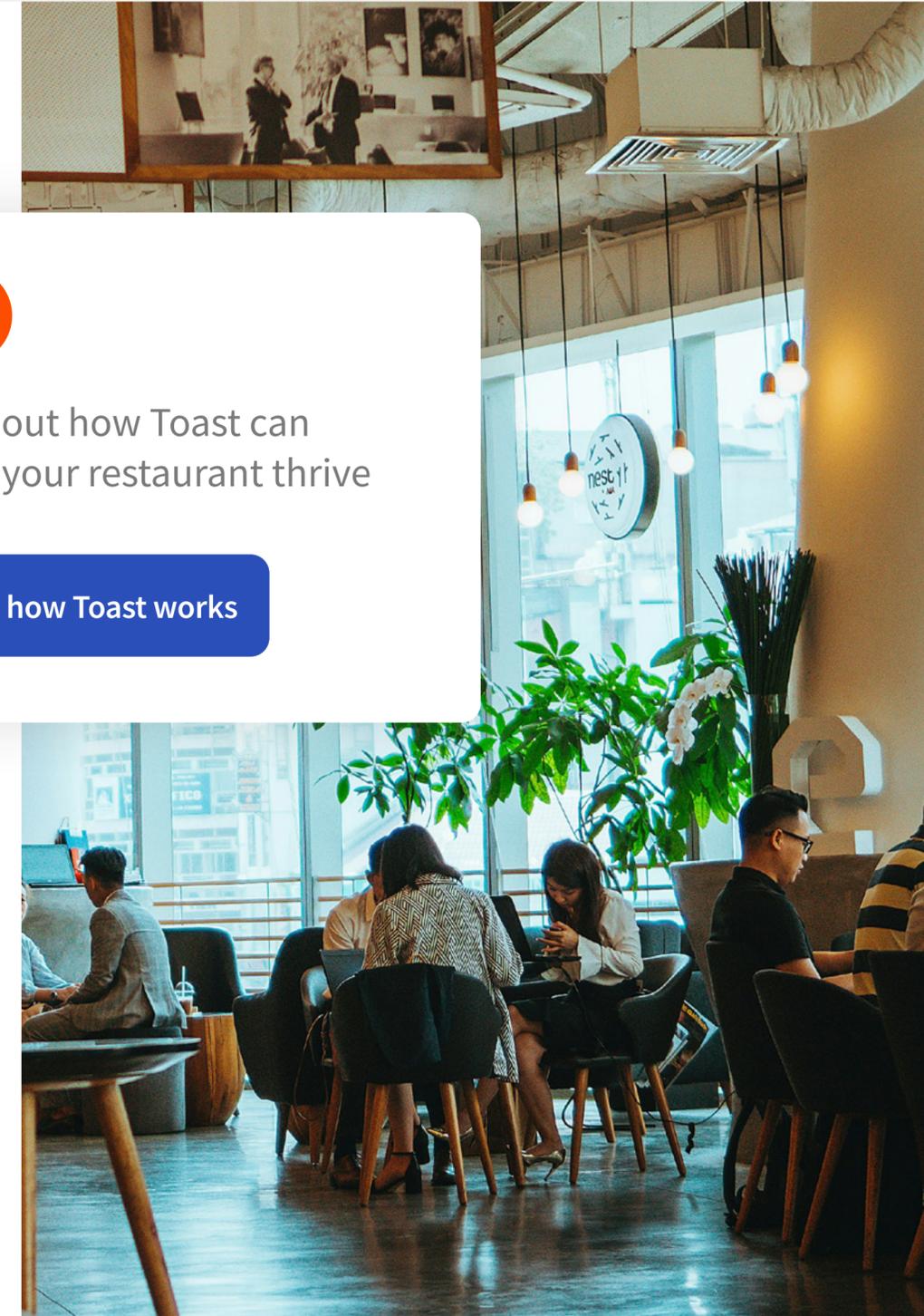
In this report, you'll find:

- 4** 7 Key insights from Toast's 2025 market survey
- 5** An overview of the Canadian restaurant market's challenges, goals, and business priorities
- 10** Canadian restaurant consumer trends and expectations
- 11** Canadian restaurant technology trends overview
- 15** A Toast case study: How Befikre increased their average check value by 44%



Find out how Toast can help your restaurant thrive

[See how Toast works](#)





KEY FINDINGS

7 Key insights from Toast's 2025 market survey

At a glance, it's clear that the Canadian restaurant market is shifting. There is marked uncertainty, and owners are more concerned and therefore conservative about the future. For now, it's all about growth. Profitability is top of mind, and restaurateurs plan to explore new technologies that will help them grow and streamline their businesses.

1

Canadian restaurants are less optimistic about staying open through 2025

69% of our survey's respondents stated that their restaurant is at least somewhat likely to be open in the next year. In 2023, this stood at 79%, hinting that economic stressors like inflation, labour shortages, and increasing interest rates are taking their toll.

2

There has been a marked decline in the number of Canadian restaurants planning to expand their operations in the next 12 months

Just 29% of restaurant operators said they were very likely to expand their operations this year, down from 38% in 2023. This softened growth appetite could be owed to concerns over the uncertain economic environment.

3

Canadian restaurants still expect sales to increase over the next year

78% of our survey's respondents said that they expected their restaurants' sales to increase, despite the challenging economic circumstances that they're operating in.

"As an independent business, every dollar matters that much more"



Rean McKinley
Executive General Manager,
Gusto, Moncton

4

The need to increase sales and revenue is a top-of-mind pain point for restaurants in Canada

When asked about the biggest pain points associated with running a restaurant, 44% of our survey respondents ranked increasing sales and revenue as their top challenge.

5

Improving profitability is a primary business goal for Canadian restaurateurs

38% of Canadian restaurateurs cited profitability in their top three business goals over the next year.

6

Inflation is of particular concern among Canadian restaurateurs

When asked whether inflation was having an impact on their business, 85% said that inflation had proven to be a challenge to some degree.

7

When macroeconomic challenges hit hard, investing in technology that gets results is a priority

69% of Canadian restaurateurs anticipate their restaurant technology spend will increase in the next year, and 27% of Canadian restaurateurs plan to start using new tech over the next year to help them better run their businesses.

Find out how **Gusto** increased table turnover time by 30% with Toast

[Learn more](#)



RESTAURANT MARKET OVERVIEW

The Canadian restaurant market overview in data

What business challenges are most pressing for Canadian restaurants in 2025?

Toast's restaurant market research revealed that the top three reported business challenges that restaurateurs in Canada are grappling with in 2025 are:



1

Increasing Sales/Revenue



2

Profitability



3

Supplier & Vendor Management

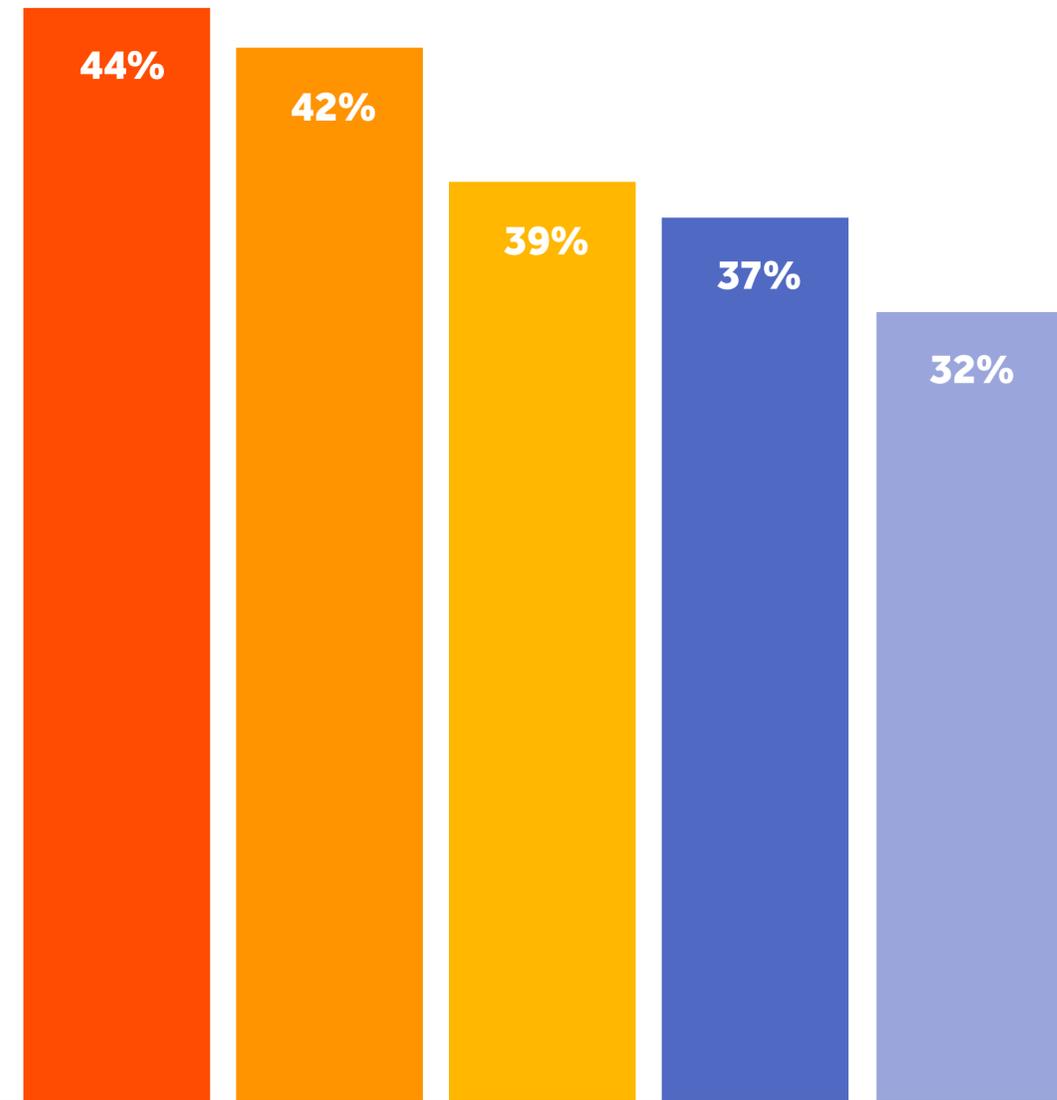




What are Canadian restaurateurs' biggest business pain points?

Perhaps unsurprisingly, the current pain points that restaurant owners are experiencing revolve around balancing the books and ensuring they remain in the black.

- Increasing sales and revenue
- Profitability
- Supplier and vendor management
- Compliance with regulations
- Profitability



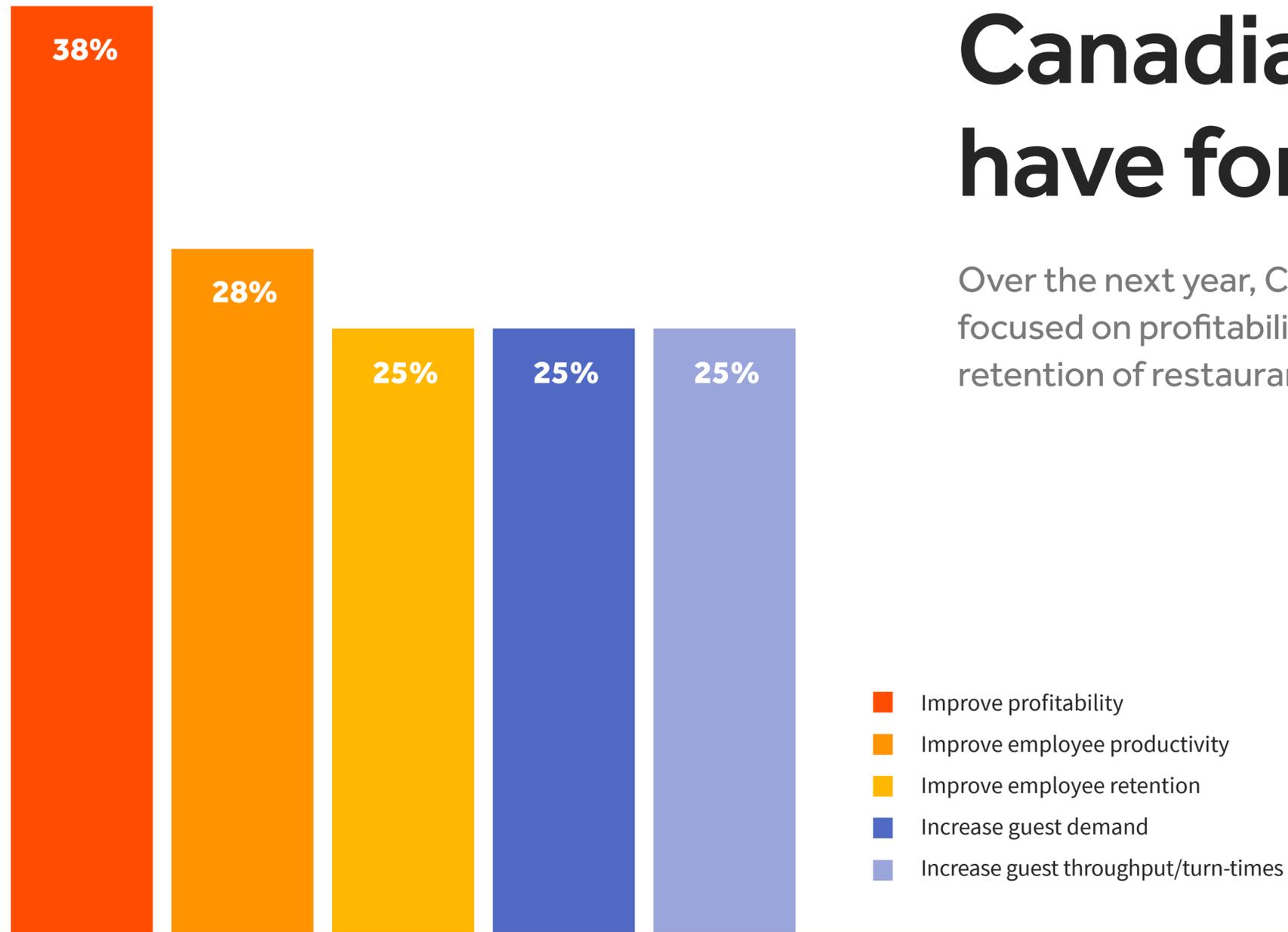
Managing your restaurant's technology is easier with Toast's all-in-one POS system

[Learn more](#)



What business goals do Canadian restaurateurs have for their businesses?

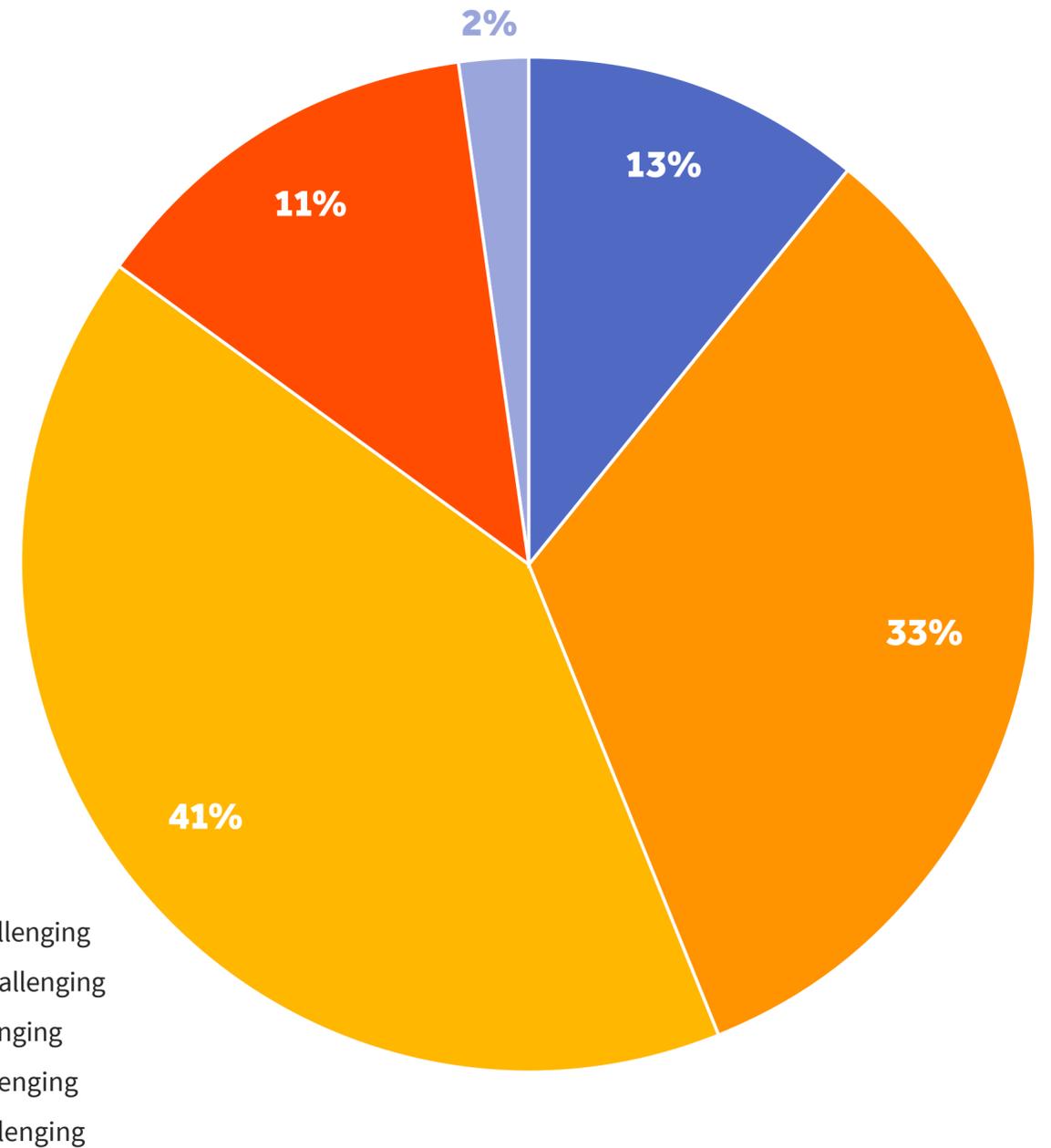
Over the next year, Canadian restaurant owners are primarily focused on profitability, but goals tied to the success and retention of restaurant employees are also top of mind.





How acutely are Canadian restaurants feeling the impact of inflation?

Rising food costs, geopolitical instability and trade tariffs have exposed Canadian restaurants to higher levels of inflation. As a result, 85% of Canadian restaurateurs we surveyed reported that their business had at least somewhat been impacted by inflation.





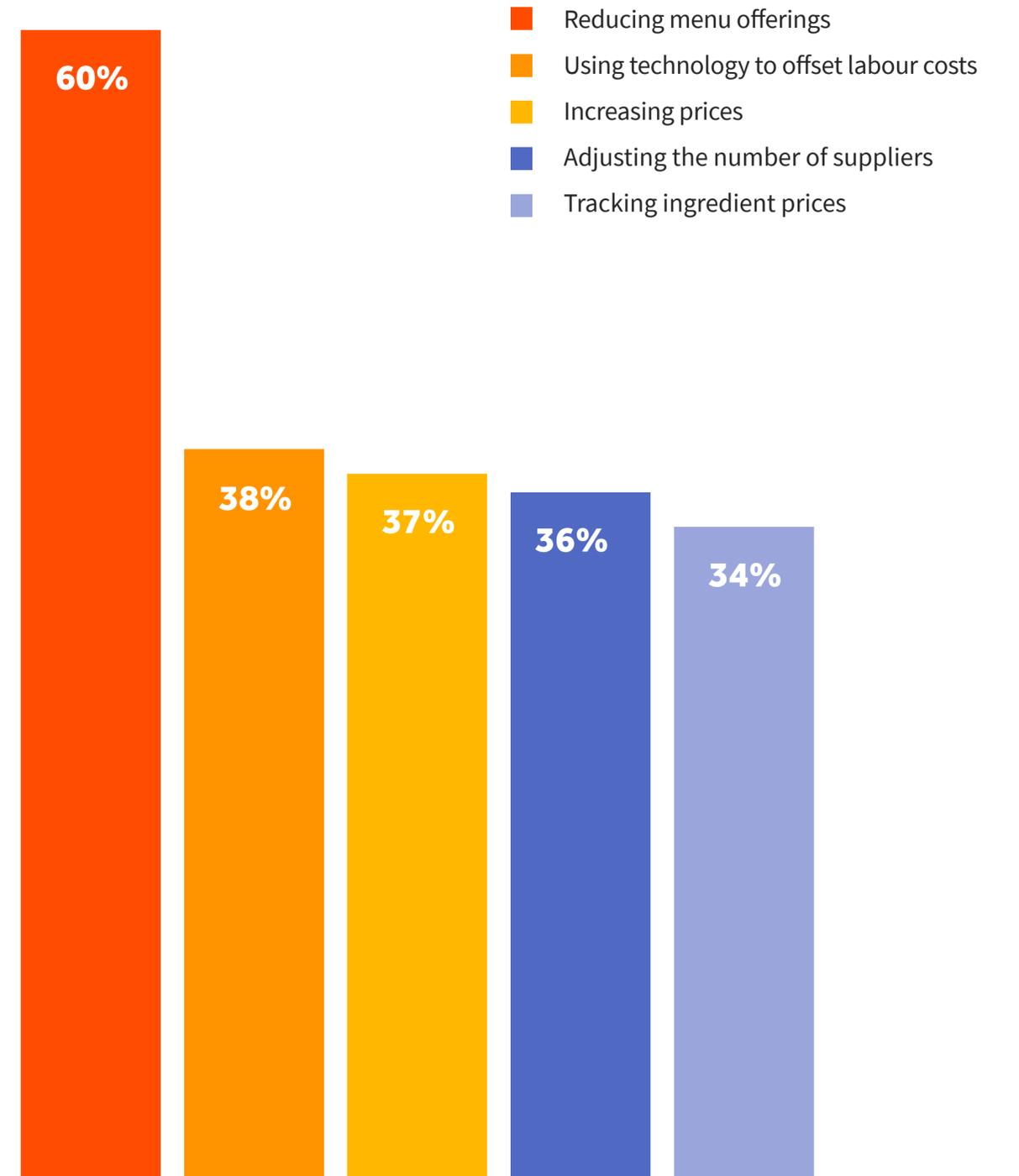
How are Canadian restaurants responding to inflationary pressures?

The threat of inflation is causing Canadian restaurant owners to be more agile with their pricing and menu offerings. Here are the top methods they're using to combat the impact of inflation:

"In today's climate of restaurants and profitability and how tight margins are, every extra table turn is significant. Every extra gratuity to our team members is significant."



Tyler Rutherford
Director of Operations & Culture
Gusto 54 Restaurant Group





TRENDS AND EXPECTATIONS

Canadian restaurant consumer trends and expectations

Research has shown that Canadian consumers are now noticeably more price-conscious. **They intend to spend more cautiously** this year due to the economic uncertainty surrounding the trade conflict and **looming tariffs** from the USA. The right **menu pricing strategy** is now more important than ever to secure their business.

There's also a generational gap between the **dining out habits of Gen Z and Gen X**. While Gen Z is more likely to cut back on quick-service restaurants in 2025, Gen X has reported the largest reduction in

visits to full-service restaurants. Meeting the demand of these divergent groups and catering to their value-driven dining mindset with a loyalty program play will be vital to securing repeated custom in the next year.

Research by the Angus Reid Institute has found that 78% of Canadians are committing to buying more Canadian products in response to the tariffs imposed upon them by the USA. This drive towards buying Canadian could be an opportunity for restaurants to celebrate locally grown and sourced produce.

36%

of Canadians are eating out less frequently in 2025

Restaurants Canada

57%

of Canadian consumers plan to reduce their spending in response to inflation

Bank of Canada

1 out of 6

price-conscious Canadian diners report that they are switching to less expensive table-service restaurants in 2025

Retail Insider

71%

of Canadian consumers report being more loyal to Canadian brands in 2025 than they were a year ago

Retail Insider

41%

of Gen X report a reduction in visits to full-service restaurants, while 42% of Gen Z are most likely to cut back on quick-service restaurants

Restaurants Canada





What technology challenges are Canadian restaurateurs coming up against?

In 2025, Canadian restaurant owners reported their top three restaurant technology challenges as:



1

Accessing Sales/
Financial Data



2

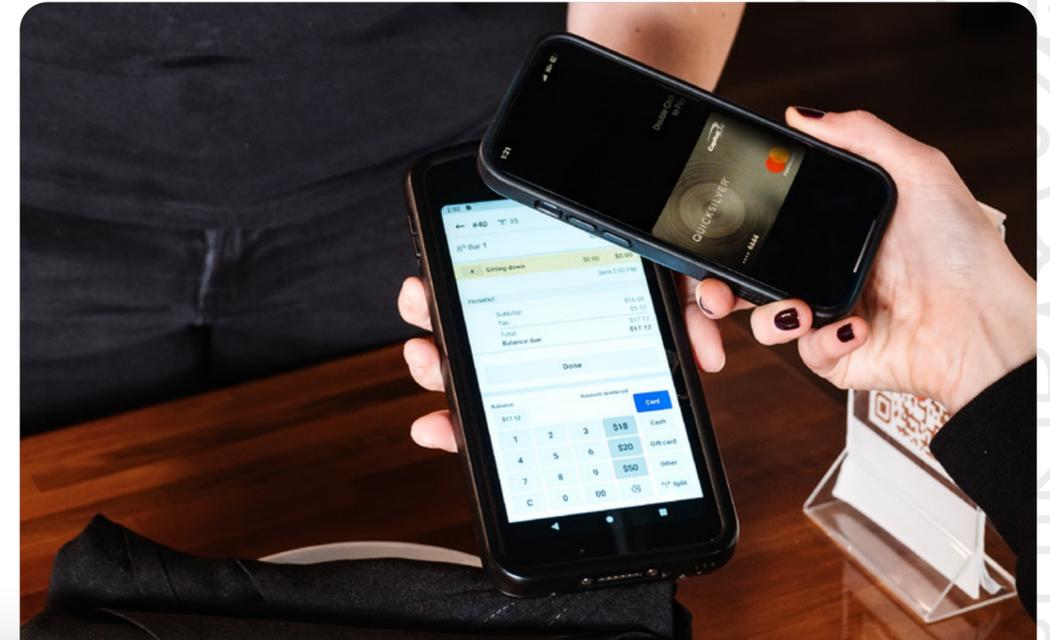
Managing Multiple
Locations



3

Managing Internet/
Wifi Outages

Other pain points included issues interpreting data for decision making and **employee management systems**, like payroll or shift scheduling.



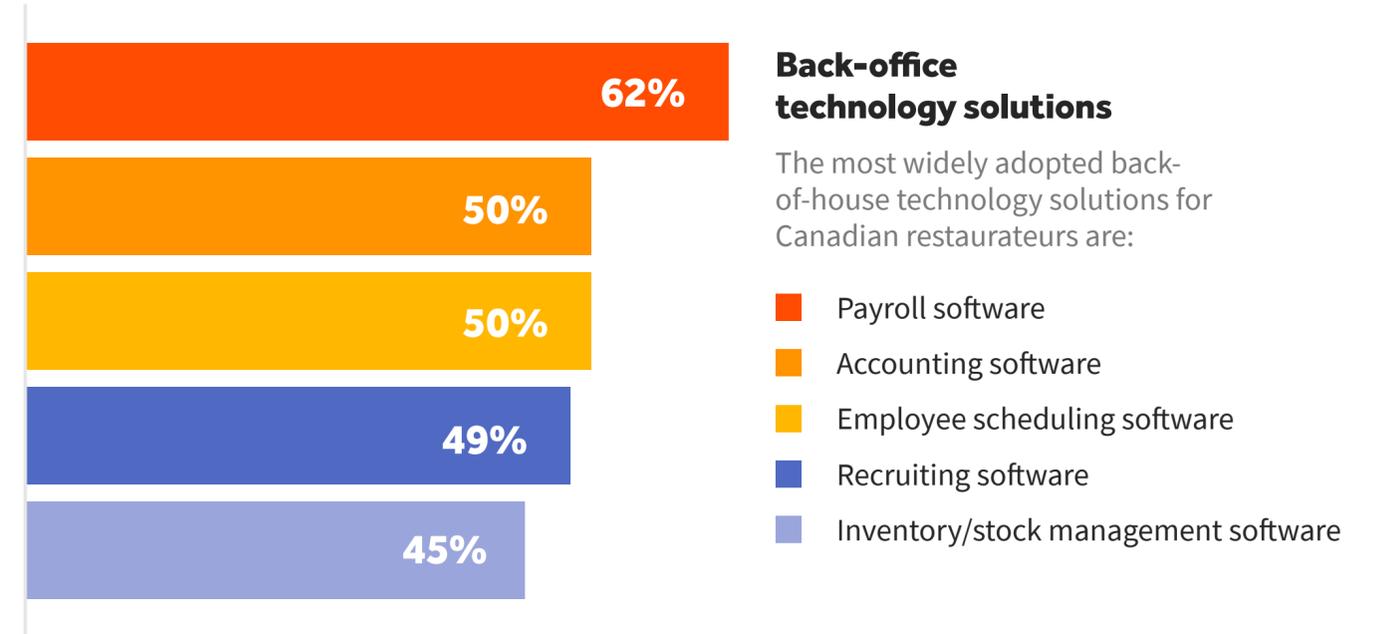
“Life happens, but the worst thing in restaurants or retail is when power goes out to your system, or the internet goes down.”



George Davis
Owner of 2 Doors Down
Halifax and Dartmouth



What kinds of restaurant technology are owners investing in this year?



Restaurant service solutions

Handheld POS devices provide on-the-go flexibility for taking payments and orders and can improve the overall guest experience. 43% of the restaurants we surveyed just use handhelds to collect payments, while 35% use them to take orders and payments. 18% use handhelds for taking orders only. Just 5% of our survey respondents don't use handhelds in any capacity at their restaurant.

When it comes to choosing a **POS system**, ease of use, reliability and availability of customer support came out as top priorities for restaurant owners.

Guest management solutions

With Canada's food delivery market booming, it's no surprise that our research showed third-party ordering or delivery technology and mobile payments or ordering technology as the most commonly used restaurant management solutions, with 49% of those surveyed currently using them in their restaurant.

Our survey also revealed that 44% of restaurants are using **loyalty program management software**, and 43% are using marketing software, demonstrating a growing desire to turn regular customers into repeat visitors.



The bottom line: Canadian restaurateurs are looking for reliable tech to future-proof their operations

Looking ahead, the demand for restaurant technology tools and software that helps owners streamline each aspect of their businesses is clear - 69% of restaurants in Canada expect their tech spend to increase over the next twelve months.

27% of restaurant owners plan to invest in new restaurant tech in the next twelve months, with top planned spend going towards tip management/ pooling software,

reporting & analytics software, and employee scheduling software.

It's telling that Canadian restaurant owners also cited the need for **POS integrations** and the importance of having an 'all-in-one solution' as key consideration factors when picking the right POS system. Canadian restaurateurs clearly want a technology suite that helps them deliver exceptional experiences to their customers.





How Toast can support your restaurant through tough economic times

At Toast, we know that when every penny counts, each outgoing must prove its worth. That's why our all-in-one restaurant operations suite is built to streamline service, drive revenue and create exceptional customer experiences.

Toast can help your restaurant:



Simplify the payment process

Offer seamless payments for guests & staff, integrate POS and payment tools, and automate payment reconciliation.



Improve front and back of house communication

Increase efficiency with a digital **kitchen display system** (KDS) and productivity metrics.



Integrate your restaurant tools

Bring reservations, inventory, labour management, ordering & delivery, loyalty, and more into one system.



Drive revenue with tailored email marketing

Reach the right guest with the right message at the right time. With just a few clicks, you can send relevant offers and incentives to help bring guests back.



Take orders more efficiently

Use the Toast all-in-one handheld **POS devices** to speed up guest ordering and checkout, and turn tables more quickly.



Keep tabs on business performance

Access real-time restaurant specific reports across sales, labour, & product mix across one location or many.



Get tech help 24/7/365

Work with our team of restaurant experts from onsite installation and training to ongoing support.



Build strong guest relationships

Automatically recognize and reward repeat customers across all of your channels with **Toast Loyalty**.

Get a demo



CASE STUDY

How Toronto restaurant Befikre raised their average check value by 44% with Toast

Befikre, a vibrant Toronto-based Indian restaurant, needed POS technology that matched their restaurant's flair and supported an enhanced dining experience.

Before Toast, Befikre struggled with operational inefficiencies, chaotic communication between the front and back of house, and the limited capacity of their servers

Befikre chose Toast's integrated technology solution, which included:

[Point of Sale](#) →

[Kitchen Display System \(KDS\)](#) →

[Toast Handheld POS](#) →

“From hostesses to kitchen staff to our head chef, servers, bartenders, owners, everybody is using Toast in some way or another.”



Riddhi Sukharamwala
Befikre Owner

[Read the full case study here](#) →

With Toast Befikre's operations became streamlined with transformative results:

- Average check size increased from \$45-\$50 to \$65
- Staff costs decreased due to the KDS, eliminating the need for an order coordinator
- Real-time data reporting allowed for remote monitoring, enabling management to focus on growth
- Server efficiency soared, as handhelds allowed servers to take on as many as 8-10 tables each at one time
- Improved front and back-of-house communication with Toast's KDS, which helped reduce chaos and improve coordination



METHODOLOGY

To get insights into the rapidly changing restaurant industry and its technology landscape, Toast conducted a blind survey of 402 Canadian restaurant decision-makers operating 25 or fewer locations in Canada from March 10th, 2025 to May 2nd, 2025.

Respondents include a mix of both full-service and quick-service restaurants. In this report, we focus on restaurants with a Gross Merchandise Value of over \$700k. The restaurants surveyed were from a mix of geographic regions, including Ontario, Quebec, Alberta and British Columbia.

Respondents were not made aware that Toast was fielding the study. Panel providers granted incentives to restaurant respondents for participation. Using a standard margin of error calculation, at a confidence interval of 95%, the margin of error on average is +/- 5%.

